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# THE FINANCIAL POST

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## EXPORT OF RAW MATERIALS HITS OUR INDUSTRIES

### Favorable Balance Healthy Index on Surface but has Dangers

### INVISIBLE BALANCE

### United States Also Suffers From Keen Competition and Low Prices in Europe

Certain readjustments in the foreign trade positions of the United States and Canada are attracting attention in both countries as relating very closely to the state of business. In the States, business economists are becoming alarmed over the increasingly unfavorable trade balance. In Canada, on the contrary, an accumulating surplus of exports is interpreted as a sign of business expansion. Strangely, these two adverse sets of conditions are being traced—and rightly—to the same cause, lower price levels and intense competition in Europe.

For the fourth consecutive month, April, trade statistics show a surplus of imports for the United States. The first four months of the year showed an import surplus of $133,417,000 as against an export surplus of $257,937,000 for the same period of 1925. Despite all the attempts being made to belittle the business slackening, there are indications that manufacturing activities, sales and orders, are on the decline, in the United States. Raw materials are weak and concessions are being made in nearly all lines of trade. On top of the recent reduction in the unfilled tonnage of the United States Steel Corporation, Judge Gary, Chairman of the Board of Directors of that company stated that forward orders carried on the books of the company at the end of May would probably register a drop of some 375,000 tons.

In sharp contrast with this is the situation in Canada, where the favorable balance is accumulating month by month, and is now in the neighborhood of $400,000,000. On the surface, this is an extremely healthy sign, and few look below the surface to question it. Normally, it is indicative of improving conditions. A careful study of the Canadian trade figures, however, discloses the fact that almost the entire increase in our exports has been made up of raw materials or at least unmanufactured goods. For the twelve months ended April, out of the total trade increase over the previous year, grain and animal products and wood and iron products—largely unmanufactured—accounted for well over 90 per cent. The great bulk of these products went to Great Britain and to Continental Europe to be manufactured where labor costs are lower. At the same time Canada increased her purchases from abroad, by $141,000,000 It is significant that the largest item in this increase was iron and its products — entirely manufactured goods. Our imports of these products increased by $50,000,000 which is more than one-third of the total gain. Animal and vegetable products imported increased by $30,000,000, but almost all of this total consisted of manufactured goods. It is safe to say that more than 90 per cent. of our imports consisted of manufactured products. In other words, the much-heralded increase in our favorable trade balance is due to the fact that Canada exports the great bulk of her raw materials to manufacturing countries, and, in turn, imports the finished products. This, naturally, does not help Canadian manufacturing industries.

**European Competition the Cause**

It is thus apparent that the same cause—keen European competition and lower price levels—is responsible for the growing import balance in the United States and the increasing export balance here. In the States it leads to the situation outlined above. In Canada, it increases the volume of business transacted and is a favorable factor, on the surface, at least. Europe is turning from the United States as a source of raw materials, as the supply of such becomes limited, and is buying from Canada. The increase in Canada's export balance which results is favorable from the standpoint of increasing the purchasing power of the country, but, at the same time, a large portion of this purchasing power is being exhausted by the growing total of imports, which is so often overlooked. There is also the loss of the wages involved in the manufacture of these goods and the services connected therewith. These facts help to explain the difficulty Canada encounters in emerging from depression despite the fact that so many individual factors show decided improvement.

Incidentally, a further discount must be attached to the value of the growing favorable balance by the fact that our invisible, unfavorable balance is growing rapidly in the form of increased borrowings abroad. This must be taken care of before we can begin to benefit from the favorable side of the balance.

## Canadian Industry Will Benefit Only From What Benefits All of Canada

### Broad Policy Outlined for C. M. A. at Annual Meeting — Association's Leading Members go on Record as Anxious to Give Tariff Board a Chance

### EXPECT MUCH GOOD FROM TARIFF BOARD'S WORK

Assembly of Canadian industrial heads this week, for the annual meeting of the Canadian Manufacturers' Association, was of particular significance in view of the important industrial and political problems of the day. A note of constructive good will and unselfish moderation sounded clearly throughout the deliberations. Decided as were the views of the association on the question of the tariff, of taxation and of legislation generally, there was nothing in the proceedings that could have aroused the antagonism or unfriendliness of the people, in any part of Canada nor in any form of productive effort.

It was made apparent that the real leaders of Canadian industry, the forward-looking men, whose views encompass the whole national situation, feel that what is in the interests of Canada is in their interests, that a truly co-operative effort to work out out policies satisfying to all is essential, to replace present class antagonisms and prevailing struggles between groups, sections and parties.

**Policy Big enough for Canada**

No broader policy could have been laid down by any man than the very first words of J. H. Fortier, the retiring president, and which were omitted in the reports of the meeting, published in the daily press, He said:

> "We are interested in the industrial problems of this country. We are personally interested so far as our own intimate businesses are concerned, but this is a very small part of our interests. Each of us has an interest in our own country. If we can contribute to the prosperity of our country it means business for all of us. The interests of the country at large are our interests, and the success and prosperity of our country is our own success and our own prosperity."

Mr. Fortier indicated that he had been surprised to find that the Canadian manufacturer was widely misunderstood and he made clear the aims and motives of the organization. On this question he said:

> "I have followed for the past twelve months the work of this association and have followed what is being said from one end of the country to another about its work. I have been somewhat surprised and disappointed to see how many people view the manufacturers. When I realize how you are spending your time and money and using your best brains to promote the best interests of Canada—often neglecting your own personal interests for the sake of the country and its productive industries—and then when I see from one end of this country to the other, people viewing the manufacturers as a body of selfish individuals, looking only after their own personal interests, I have been disappointed. But human nature is human nature and the judgment of the public is not always based upon what is being done, but upon what the public sees from the outside.
>
> "I want to tell the public that this association, one of the largest organizations in Canada, has made mistakes, as we all do, but it is working for the general interests of the whole country. We are working for general conditions to that will bring us prosperity as individuals."

Mr. Fortier's annual address delivered later was broad and comprehensive and is published elsewhere in this issue.

**Back Up Tariff Board**

The association, through the expressions of views of various members went on record as sympathetic to the Tariff Advisory Board; ready to give it every opportunity and looking to it for non-partisan study of Canada's fiscal problems.

Occasion to discuss the tariff advisory board came when S. R. Parsons stated that he felt the manufacturers should not bother to present their cases to the tariff board. He felt that as the government was committed to free trade it was a waste of effort for the manufacturers to prepare briefs for the board; that they would in this manner only be giving the government information to use against the manufacturers. He felt the tariff board could not be independent.

Thomas Roden, of Toronto, another member, pointed out that the C.M.A. had for years asked for the tariff board. Gordon Cockshutt, of Brantford, formerly president of the woollen manufacturers, said that his association was sympathetic to the board, and J. H. Fortier, of Quebec, made a strong case for support of the board. It had been appointed. It was in existence. It was a condition and conditions should be taken as they were. The tariff board might prove to be a very good thing; to be a big help to industry and the country. He had no fear that it would be partisan. Judges were usually political appointees but were usually good judges and never partisan. The job of the manufacturers is to take advantage of the opportunity afforded by the appointment of this board to lay their case before the government and thus before the public.

Hon. E. J. Davis, of Newmarket, emphasized that as the meetings of the board were open to the public, presentation of briefs before the board would provide a wonderful educational force which would have a good effect throughout the country.

A number of the most important reports of the C.M.A. are to be found in this issue.

## DEPT. STORES SELL $4,500,000 OF BONDS

### Further Step Taken in Big Merger of Ontario Retail Stores in One Company

Further progress was made in the merger of a score of Ontario Department stores, under the name of Canadian Department Stores, Limited, this week, when arrangements were made to market $4,500,000 of first mortgage 6 per cent. bonds in New York. Sale was made through Municipal Bankers Corporation, principals of which have been active in putting through the store merger.

Sale of these bonds in American market does not affect control of the company, which will remain in the hands of Canadians. The stores coming into the merger will retain substantial interest in the general larger company.

Publication, in last week's issue of The Financial Post, of the first article to appear concerning this merger caused a furore of excitement in trade and financial circles. The merger has been consummated so quietly that it has been kept a very close secret and The Post's announcement occasioned much surprise and comment. While denials that the merger had been consummated were published in some of the communities where stores have been taken in, The Financial Post learns that the story as published last week was, in every respect, correct.

### C. N. R. TO USE ALBERTA COAL

EDMONTON.—It is stated officially that the Canadian National Railways will use 1,300,000 tons of Alberta coal during the coming years on its lines in Western Canada.

### PRICE DIRECTOR MONTREAL TRUST

MONTREAL.—At a meeting of the directors of the Montreal Trust Co., Lt.-Col. John H. Price, M.C., was elected a director of the company.

## Government Pays Ottawa Landlords $680,000 Rent

### Some Leases Said to Return Cost of Structure in 5 Years—Scattering of Departments Means Duplication and Inefficiency

The federal government rents 53 buildings in Ottawa to house various departments at an annual rental of $680,000. These are in addition to the 12 government owned buildings in use.

Rentals are said to be high and scattering the various departments throughout the city works against the highest efficiency. Some owners of buildings are reported to have got the cost of their building back in five years from the government on rents.

The situation seems to have been one with which no one concerned himself. The Civil Service Commission has stirred things up by including a review of the housing of the government offices in its annual report and this may bring some action. It points out innumerable instances where economies might be brought about. The report says that the necessity for serious consideration of the housing problem is of the utmost urgency.

Decentralization, the scattering of departments throughout the city, in one building or another, greatly impairs the efficiency of the various staffs and at the same time results in numerous duplications. This scattering multiplies the cost of administration. The cause as the commission sees it, is due first to rapid expansion, but the second and most interesting cause given is the reluctance of some departments to move in order that others might be better accommodated.

On the other hand many of the buildings for which the government is paying large rentals are not suitable. Many of them are shacks and their very construction makes for inefficiency. The report raises the whole question of the desirability of spending annually a sum which represents the interest at 5 per cent. on more than $13,500,000 on rented accommodation, a great deal of which is only of indifferent quality.

That there is much interlapping of services is evidenced by the fact that the engineering and scientific services are five in number, maintained by the following departments, Public Works, Railways and Canals, Interior, Marine and Fisheries, and Mines. The proposal is to co-ordinate these in so far as possible. It is suggested that there be a central accounting system and that a great saving might be effected in handling pay. Another suggestion is a central purchasing service for all government departments. Central distribution of government papers, transfer of all legal departments to the Department of Justice, there being 15 separate legal departments at present, and the standardization of correspondence paper.

That there will be opposition to the suggestion made in the report is certain. The commission report did not

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## JOBBER-BROKER COMBINE OPPOSES PUBLIC INTEREST

### But Government Does Not Promise Definite Measure to Remedy

Special Correspondence.

OTTAWA.—Answering a question in the House, Hon. J. C. Elliott, Minister of Labor, made a statement reviewing the investigation, trial and conviction of the Nash companies in Western Canada, under the Combines Investigation Act and added that the government would treat the jobber-broker connection as against public policy. In this connection he said:

> In view of these considerations, the government has decided that it must treat the jobber-broker connection as against public policy; and this announcement is made so that all parties may be aware of these views. If the law as it stands is sufficient to deal with this question, resort will be had to it should there be any disregard of its provisions. If the law as it stands is not sufficient, such appropriate legislation within the legislative competence of the Dominion will be introduced as may be necessary to give effect to this decision.
>
> The jobber-broker combine is an attempt to join in the one organization and under the same control, the broker, whose interests should be solely that of the grower, and the jobber, whose interest is opposed to that of the grower. This puts the broker in a position in which his interest conflicts with his duty. Where there is such a conflict of interest and duty it is impossible to guarantee by any external supervision that the thousands of annual shipments of the growers will be handled honestly. Such a relationship is against the established principles of our law, and it is difficult to see how the grower could hope to obtain proper returns for his goods under such a system.

The minister did not, however, intimate definitely what action would be taken to prevent the operation of such combines in the future. The recommendations of Commissioner Lewis Duncan indicate clearly his opinion that only by preventative federal and provincial legislation can such activities, detrimental to the public interest, be curbed. Further the situation is one which in the opinion of those who have studied it demands the action of parliament during its present session.

### Smelters Advance Near 30 Points in Two Weeks

Consolidated Smelter shares opened the week with a high of 211 and a low of 208 and sharply advanced to 220. Two weeks ago the shares were selling around 192. Interest seems to centre around the possibilities of an interesting announcement coming from the directors when they hold their meeting, which may be anytime now. It was said that as soon as President Warren returns from the west, the meeting would be held. He is back now. The buying, brokers say, has the earmarks of being from the inside.

## *Senate Expected to Kill Amendment to Designate Terminal*

Special Correspondence.

OTTAWA.—Largely as the result of a very effective lobby by representatives of Western political and other farmer organizations, the amendment to the grain act giving the shipper the right to designate the terminal elevator to which his grain may be shipped, has passed the agricultural committee by a large majority. For years the act has been construed as giving the elevator company this privilege. The result of the amendment would be that Wheat Pool members shipping through private elevators would have the right to designate delivery to Pool terminals. With the Pools increasing in their operations, the result would be that the volume of wheat designated for Pool terminals would be much greater than their capacity while the other terminals would be partly idle. The outcome of such a situation would probably be that the Pools would be in the position of buying up additional elevators from private interests at sacrifice prices.

In view of the menace to invested capital as the result of changing a custom established for years, it is expected that the Senate will change or kill the amendment.

## PACIFIC BURT HAS GOOD PROFITS AHEAD

### Expansion Out of Profits—Interfolding Forms and Wiz Autograph Registers Added

In connection with the annual report of the Pacific Burt Company, reviewed elsewhere in this issue, president S. J. Moore, makes a very significant reference to important expenditures out of last year's increased earnings which, while reducing the net profits available for dividends at present, will have the effect of increasing the funds available for the benefit of shareholders in the future. Mr. Moore does not go into particulars, but The Financial Post understands that his reference is to expenditures in connection with the establishment of the company's new plant at Seattle, and also in connection with the adoption of efficiency methods, known as the Bedeaux system, which has proven highly valuable in the experience of associated companies.

With the Seattle plant the company has completed its strategic production structure. The first plant was located in Los Angeles about seven years ago. Another plant has been built at Emeryville, a suburb of San Francisco, and now the third plant has been completed at Seattle, forming a chain to effectively supply the Pacific Coast market in the United States.

Reference has been made to the development of an important new market in the Eastern States by the American Salesbook Co. in supplying interfolding forms for billing machines and Wiz autographic registers, which are a distinct improvement on the old style registers. These new forms are for modern office systems and are manufactured for Elliott-Fisher, Underwood and Remington machines. There is already a big market for them and it is growing. It may not be mentioned for the first time that the Pacific Burt Company is manufacturing these interfolding forms and Wiz autograph registers for the Pacific market and earnings are being thereby substantially augmented, with prospects of still increasing business in the future.

### FRASER COMPANIES EXPAND

MONTREAL.—The Fraser Companies are to acquire the lumber mills of Sinclair Brothers in New Brunswick. The transfer of the properties, which are of considerable size, will probably not take place until early next year. The management of the Fraser Companies has declined to announce the amount which will be involved in the transfer.

## Spending Orgy Around Toronto Makes New Financing Difficult

### Municipalities Skirting Toronto Plunging Into New Works and Are Closing Doors of Market to Their Bonds

Rapidly mounting expenditures in suburban municipalities around Toronto have attracted the attention of investment bankers and large investors. It is understood that the officials of these municipalities are being quietly advised that a curb must be put to expenditures if the municipalities do not want the Canadian bond market closed to their issues.

Recent quotations for the bonds of the "Yorks", as they are called—East York township, North York township and York township, and certain other municipalities—have shown a tendency to ease of late. This does not reflect uneasiness concerning the position of and security for issues now outstanding but is an evidence that further large issues of bonds of these municipalities will not attract the same number of high bids as in the past.

**Duplicating Experience Elsewhere**

Over expenditure on the part of municipalities adjacent to a large city is no new experience in Canada. Around Montreal, Vancouver, Winnipeg and Windsor, for instance, the outlying municipalities have all gone through periods of expansion accompanied by wholesale expenditures on public works and local improvements, and also by some shading of interest on the part of investment community as issue has followed issue of bonds. On the Island of Montreal, the situation reached a crisis and it was necessary for the provincial government to step in. A metropolitan commission was organized that brought the weaker municipalities under the wings of the stronger ones

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## I.B. OF A. TAKES STAND AGAINST NO-VOTE STOCKS

### Unless Method Devised to Prevent Abuses of Privilege

### THE PUBLIC INTEREST

### Suggestion is That Responsibility of Common Stock Ownership Should Entail a Say in Management

In the adoption of a special report of the Industrial Securities Committee, the board of governors of the Investment Bankers' Association of America has recorded its official disapproval of non-voting common stocks, unless safeguards are provided to prevent the abuses of privilege. After discussing arguments for and against non-voting stocks, the report records this opinion:

> First, that unless some method be devised to prevent abuses of the privilege, major considerations of public welfare require that non-voting common stocks be not issued; second, that if issued under restrictions that will prevent such abuses, issuing houses should fully realize their responsibilities and live up to them, and third; that before causing non-voting common stocks to be issued, issuing houses should give special attention to the legal aspects of control by common voting stocks where a substantial amount of common stock having no voting privilege is also outstanding.

The committee does not regard itself as being in possession of information on which the practice of issuing non-voting stocks can be condemned. It is pointed out that no one really informed of the various situations believes that in general the machinery of non-voting stocks has been put into operation for any other purpose than that of securing and perpetuating competent management, nor can anyone at this time confidently assert that the non-voting common stock has no proper place in advance. One of the weaknesses the board sees is the danger of "banker control" which "is more likely than not to be a detrimental factor in the operation of the company's business."

**For and Against**

Leading up to the conclusions given above is a summary of the weak and strong points of non-voting shares, the most important being dealt with as follows:

1. All common stockholders alike are owners of the equity.

For non-voting common stocks: The common stockholders of a corporation are the owners of the business subject to the preference of bonds, notes, preferred stocks and other senior securities. As owners of the business they all should have the same rights and responsibilties unless it is otherwise specifically provided. The issuance of common stocks without the right to vote is a matter of specific provision. No fraud or deception is practised—the purchaser knows exactly what he is getting.

Against non-voting common stocks:

(Continued on page 16)

### Quebec to Redeem Issue of $6,000,000 Made in 1921

From Our Own Correspondent.

MONTREAL.—The province of Quebec is to redeem its $6,000,000, 5½ per cent., 1936 bond issue. The date of redemption has rested with the provincial government since May 1, and while no definite date has been mentioned, the government will exercise its right at an opportune moment. The issue was sold in 1921 and carried the provision that the government had the right to redeem the issue at any time within the last ten years of its life. This period began on May 1 last.

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# *The Trend of Business and Industry*

**Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.**

## *"Shall I Sell the Big Buyer and Meet His Price Demands?" Problem of Many Manufacturers*

A NEW business cross roads is developing and many manufacturers are now puzzled to determine which turning they should take. The rise of the chain stores, with their mass buying arrangements and their immense turnovers, has given many manufacturers larger individual orders from these stores than they ever got before, either from individual retailers or even from wholesale houses. Selling cost is low on these orders, production costs can be lowered and the orders, even at prices that have been forced to the bottom have been attractive enough to have been tempting.

It is now apparent, though that some manufacturers are losing out by leaning too greatly upon the large chain and department stores to distribute their products, just as manufacturers have always lost out by not getting proper diversification in their marketing.

### What One Chain Did

One of the large chain store organizations has already been a factor in seriously affecting the position of two manufacturers of an important commodity. Yet sane consideration seems to indicate that the manufacturers were themselves to blame for what happened. The first of them got a large order from the chain store for a steady weekly supply of the commodity. It was a big order and, while the price was closely shaved, there was still enough in it to pay substantial profits. The business required a great deal of head office attention. Soon the manufacturer found that his sales to independent merchants were slipping. They were influenced by seeing the commodity offerred by the chain store at about what they were being asked to pay for it. They were influenced, too, by the less satisfactory service they got from the manufacturer who was devoting most of his attentions to his one big customer. But despite these evidences that the market that he formerly depended upon was slipping from him, the manufacturer was quite satisfied with the arrangement until one morning the whole chain account was taken away from him by another manufacturer who decided to undercut his price a few cents per unit.

### The Tale of the Manufacturer

What happened to the manufacturer? He had lost too much ground among the independent retailers to get back again. He went into liquidation. An old established firm disappeared from view.

The second manufacturer found that his capacity was not enough to handle the flood of new business from the chain. He sold an issue of securities to raise capital to extend his plant. But in about a year's time he too had lost the big account and was forced to pass the dividend upon the new securities.

Now the account is in the hands of a manufacturer who is large enough to handle it. It represents a much smaller proportion of his total business than in the case of the smaller manufacturer. If he loses the account to-morrow he is not going to be seriously affected.

A glove factory in an Ontario city went out of business, when it lost a seemingly profitable connection with one of the big department stores. The loss of one account wrecked it.

A chocolate manufacturer went out of business when he lost the business of one of the five and ten chains.

### Lesson of Diversification

Orders from the chain stores, mail order houses, big department stores and other similar large buying organizations, have meant good profits for many manufacturers. But more than one manufacturer has learned the lesson; that diversified distribution is essential to continued success; that 100 customers buying $10,000 apiece a year are better than one customer buying a million dollars a year, because they represent a permanent clientele that can be retained by service and quality and that is sufficiently elastic to bring the law of averages into play. The same principle holds good in the building up of an export business. A firm with both domestic and export business is better buttressed against unfavorable turns in the business situation, because its variety of markets keeps the business running more smoothly; business is seldom depressed in every country simultaneously.

Another factor in the situation is the tendency for the large merchandising organizations to go in for manufacturing. This tendency is developing slowly but surely and many manufacturers who have a profitable business with the large buyers are finding their goods replaced on the shelves of these large stores and chains by goods manufactured in factories owned outright by the stores.

### Move for Price Stablization

It is this divergence of interest and policies between the large buying organizations and the independent retail merchants that has brought the question of price stabilization—the elimination of unwarranted price cutting much to the fore in grocery and other trades. Many manufacturers are very much worried at the moment by an apparent clear divergence of policy between the two groups in retailers—the few large scale buyers and sellers on the one hand, whose motto is price, and the large number of retailers on the other hand who have held to the service feature in business. To many manufacturers, it has been a case of choosing, which horse they will back and the discussion of "fair trading" policies as regards the maintenance of prices on proprietary articles has put it up to a number of them to choose now. Others, of course, are able to adopt selling and price policies fair, alike to the public, the chains and the independent retailers.

## Iron and Steel Imports Are on Alarming Scale

Seasonal business, much of which has been placed because of improved conditions in western Canada, has aided steel mills to continue active, while prices hold, says Canadian Machinery and Manufacturing News.

Rail rolling continues, a first shipment having been made from Sydney to Fort William, and the belief persists that further business from the railroads will be forthcoming shortly. Seven blast furnaces out of 22 in the Dominion are now producing foundry and basic iron. Considerable of the latter, for the further use of the makers is needed, but call for foundry iron is slow. Average of foundry operation is from 35 to 50 per cent. and uncertainty as to the future prospects of industries they supply forces most foundry owners to "make haste slowly" in the matter of supplies. No trace can be found of a move on the part of Canada to maintain present protection against German iron and steel by erecting a countervailing special duty to equalize the subsidies granted under agreement with the German raw steel syndicate. Such action has been taken by the United States. "Foreign imports through the port of Montreal for May were alarming," says Roy M. Wolvin, president of the British Empire Steel Corporation. "The situation has assumed the proportions of a national emergency so far as the iron and steel industry is concerned. The actual amount of the imports doesn't tell the story. We have to take business at ruinous prices or shut down. Thus are we affected, though the import total may not seem impressive."

## Western Canada Leads In Keen Building Activity

### Permits in Western Cities Have Almost Doubled During First Five Months of Year

Western Canada again leads the country in the total of building permits reported in the leading cities. Fourteen western cities had permits of $19,213,327 for the first five months of the year against $10,614,853 during the first five months of 1925, an increase of $8,598,474. This was instrumental in raising the total for 48 Canadian cities from $48,128,741 to $58,604,178, in the same periods. It is apparent that the increase in the East was only marginal.

For the month of May, western building increased from $2,832,952 last year to $4,659,725, and eastern building, from $11,074,485 to $12,922,934. May's gain for the entire Dominion was from $13,907,437 to $17,582,659.

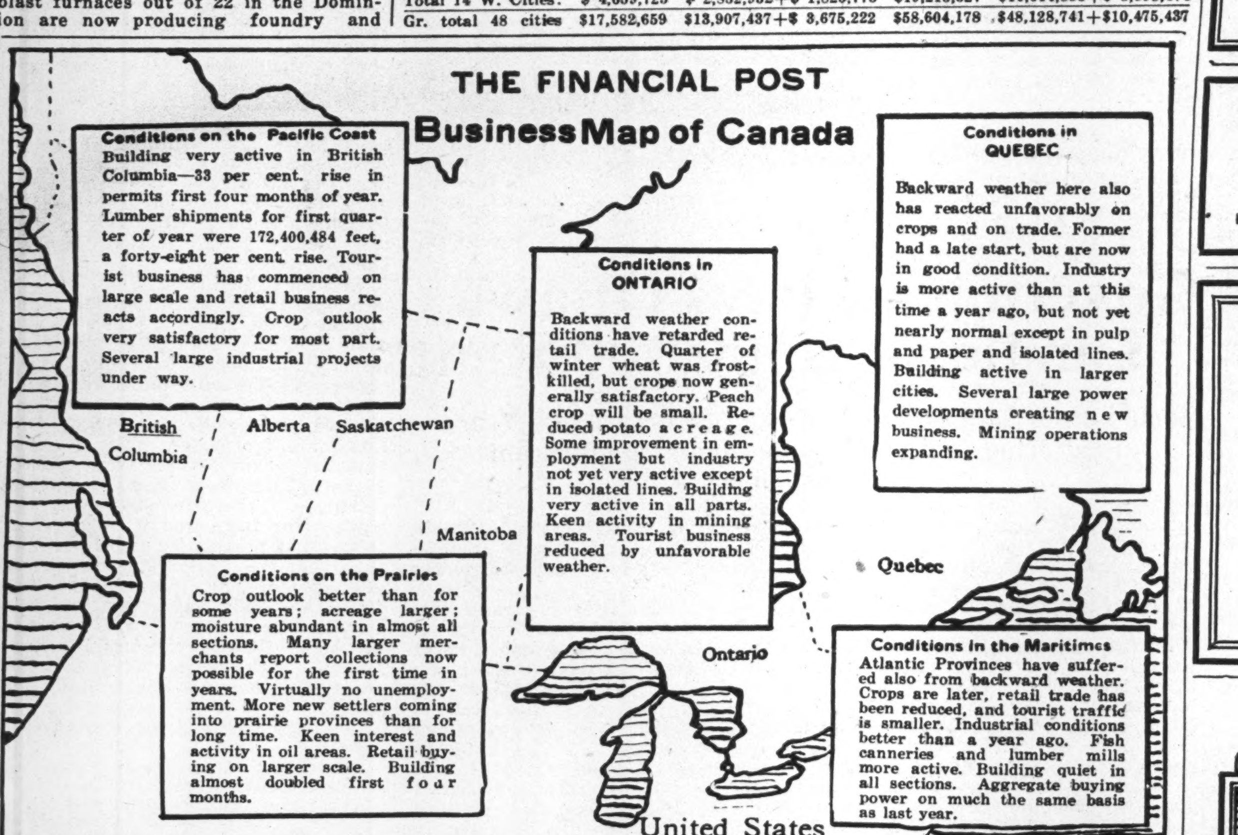
BUILDING PERMITS ISSUED IN MAY

EASTERN CITIES

| | May 1926 | May 1925 | Change | 5 Months 1926 | 1925 | Change |
|---|---|---|---|---|---|---|
| **Maritimes—** | | | | | | |
| Halifax | $88,052 | $79,245+ | $8,807 | $167,297 | $779,452— | $612,155 |
| Moncton | 94,978 | 8,465+ | 86,513 | 149,708 | 50,815+ | 98,893 |
| St. John | 8,400 | 5,500+ | 2,900 | 250,960 | 438,430— | 187,470 |
| Sydney | 4,039 | 2,275+ | 1,764 | 76,910 | 11,396+ | 65,514 |
| **Quebec—** | | | | | | |
| Montreal | 2,781,100 | 2,140,920+ | 640,190 | 11,210,652 | 8,568,003+ | 2,642,649 |
| Outremont | 417,400 | 287,150+ | 130,250 | 1,179,500 | 1,276,250— | 96,750 |
| Quebec | 377,636 | 569,905— | 192,269 | 914,499 | 951,746— | 37,247 |
| Sherbrooke | 178,000 | 35,160+ | 142,840 | 350,400 | 153,760+ | 190,640 |
| Three Rivers | 409,230 | 281,650+ | 127,580 | 752,140 | 1,683,400— | 931,260 |
| Westmount | 1,591,125 | 109,375+ | 1,481,750 | 2,612,975 | 567,600+ | 2,045,375 |
| **Ontario—** | | | | | | |
| Belleville | 14,595 | 22,475— | 7,880 | 234,635 | 79,910+ | 154,725 |
| Border Cities | 7,714,920 | 939,488+ | 775,432 | 4,806,358 | 3,276,018+ | 1,530,340 |
| Brantford | 19,520 | 8,490+ | 11,030 | 54,395 | 53,247+ | 1,148 |
| Chatham | 70,650 | 67,200+ | 3,450 | 136,955 | 81,185+ | 55,770 |
| Fort William | 184,680 | 65,925+ | 118,755 | 483,325 | 381,295+ | 102,030 |
| Galt | 14,058 | 18,143— | 4,085 | 136,748 | 55,384— | 81,364 |
| Guelph | 24,650 | 45,220— | 20,570 | 114,645 | 166,652— | 52,007 |
| Hamilton | 502,400 | 310,300+ | 192,100 | 1,386,150 | 1,155,650+ | 230,500 |
| Kingston | 208,364 | 27,092+ | 181,272 | 288,148 | 183,162+ | 104,986 |
| Kitchener | 169,557 | 166,588+ | 2,969 | 439,329 | 683,059— | 243,730 |
| Niagara Falls | 187,645 | 185,240+ | 2,405 | 737,240 | 399,925+ | 337,365 |
| Oshawa | 43,375 | 76,590— | 33,215 | 99,667 | 241,300— | 141,633 |
| Ottawa | 382,875 | 1,875,385— | 1,492,510 | 688,155 | 3,102,454— | 2,414,299 |
| Peterborough | 50,770 | 25,210+ | 25,560 | 89,955 | 101,986— | 12,031 |
| Port Arthur | 98,466 | 179,785— | 81,319 | 249,029 | 238,275+ | 10,754 |
| Sarnia | 78,085 | 116,390— | 38,305 | 233,629 | 337,010— | 103,381 |
| Sault Ste. Marie | 31,362 | 41,715— | 10,353 | 102,052 | 113,620— | 11,568 |
| Smith's Falls | 8,400 | ........+ | 8,400 | 11,550 | 13,275— | 1,725 |
| Stratford | 72,510 | 54,378+ | 18,132 | 139,842 | 233,883— | 94,041 |
| St. Thomas | 34,427 | 25,020+ | 9,407 | 89,727 | 273,876— | 184,149 |
| Toronto | 2,668,044 | 2,823,972— | 155,928 | 9,538,364 | 9,951,823— | 413,459 |
| Welland | 51,150 | 18,720+ | 32,430 | 193,219 | 37,035+ | 156,184 |
| Woodstock | 12,061 | 14,564— | 2,503 | 29,343 | 38,962— | 9,619 |
| York Township | 330,400 | 446,950— | 116,550 | 1,443,350 | 1,834,050— | 390,700 |
| Total 34 E. Cities | $12,922,934 | $11,074,485+ | $ 1,848,449 | $39,390,851 | $37,513,888+ | $ 1,876,963 |

WESTERN CITIES

| | May 1926 | May 1925 | Change | 5 Months 1926 | 1925 | Change |
|---|---|---|---|---|---|---|
| **Manitoba—** | | | | | | |
| St. Boniface | $127,197 | $46,980+ | $80,217 | $231,311 | $618,753— | $387,442 |
| Winnipeg | 1,052,300 | 664,440+ | 387,860 | 7,000,250 | 1,858,690+ | 5,141,560 |
| **Alberta—** | | | | | | |
| Calgary | 279,894 | 181,850+ | 98,044 | 687,978 | 493,050+ | 194,928 |
| Edmonton | 372,575 | 270,575+ | 102,000 | 846,750 | 580,095+ | 266,655 |
| Lethbridge | 9,775 | 13,560— | 3,785 | 79,155 | 73,374+ | 5,781 |
| Medicine Hat | 950 | 310+ | 640 | 13,075 | 5,855+ | 7,220 |
| **Saskatchewan—** | | | | | | |
| Moose Jaw | 28,120 | 12,680+ | 15,440 | 95,170 | 55,265+ | 39,905 |
| Prince Albert | 1,805 | 1,750+ | 55 | 17,455 | 9,095+ | 8,360 |
| Regina | 519,190 | 219,890+ | 299,300 | 1,344,049 | 476,980+ | 867,069 |
| **British Columbia—** | | | | | | |
| Nanaimo | 13,900 | 8,300+ | 5,600 | 51,375 | 36,380+ | 14,995 |
| New Westminster | 43,465 | 33,645+ | 9,820 | 272,995 | 160,320+ | 112,675 |
| Point Grey | 680750 | 551,100+ | 29,650 | 2,645,800 | 2,601,900+ | 43,900 |
| Vancouver | 1,534,155 | 795,980+ | 738,175 | 5,577,300 | 3,421,237+ | 2,156,063 |
| Victoria | 95,649 | 31,892+ | 63,757 | 350,664 | 223,859+ | 126,805 |
| Total 14 W. Cities | $ 4,659,725 | $ 2,832,952+ | $ 1,826,773 | $19,213,327 | $10,614,853+ | $ 8,598,474 |
| Gr. total 48 cities | $17,582,659 | $13,907,437+ | $ 3,675,222 | $58,604,178 | $48,128,741+ | $10,475,437 |



THE FINANCIAL POST

BusinessMap of Canada

**Conditions on the Pacific Coast**
Building very active in British Columbia—33 per cent. rise in permits first four months of year. Lumber shipments for first quarter of year were 172,400,484 feet, a forty-eight per cent. rise. Tourist business has commenced on large scale and retail business reacts accordingly. Crop outlook very satisfactory for most part. Several large industrial projects under way.

**Conditions in ONTARIO**
Backward weather conditions have retarded retail trade. Quarter of winter wheat was frost-killed, but crops now generally satisfactory. Peach crop will be small. Reduced potato acreage. Some improvement in employment but industry not yet very active except in isolated lines. Building very active in all parts. Keen activity in mining areas. Tourist business reduced by unfavorable weather.

**Conditions in QUEBEC**
Backward weather here also has reacted unfavorably on crops and on trade. Former had a late start, but are now in good condition. Industry is more active than at this time a year ago, but not yet nearly normal except in pulp and paper and isolated lines. Building active in larger cities. Several large power developments creating new business. Mining operations expanding.

**Conditions on the Prairies**
Crop outlook better than for some years; acreage larger; moisture abundant in almost all sections. Many larger merchants report collections now possible for the first time in years. Virtually no unemployment. More new settlers coming into prairie provinces than for long time. Keen interest and activity in oil areas. Retail buying on larger scale. Building almost doubled first four months.

**Conditions in the Maritimes**
Atlantic Provinces have suffered also from backward weather. Crops are later, retail trade has been reduced, and tourist traffic is smaller. Industrial conditions better than a year ago. Fish canneries and lumber mills more active. Building quiet in all sections. Aggregate buying power on much the same basis as last year.

## Canadian Business Indicators

### INDUSTRIAL

**Car Loadings—**

| | 1926 | 1925 |
|---|---|---|
| Week May 29 | 57,440 | 45,969+25.4% |
| Year to date | 1,177,144 | 1,073,741+ 9.6% |

**Grain Receipts—**

| | | |
|---|---|---|
| Aug. 1 to May 28 | 360,948,013 | 238,778,398+51.3% |

**Building—**

| | | |
|---|---|---|
| 5 months | $58,604,178 | $48,128,741+21.7% |
| 4 months | $41,018,738 | $34,163,659+ 20% |

**Railway Earnings—**

| 4 Months— | 1926 | 1925 |
|---|---|---|
| C. P. R. | $54,201,059 | $ 49,223,560+ 10.1% |
| Oper. Exp. | 45,520,352 | 43,919,278+ 3.6% |
| Net | 8,680,706 | 5,304,281+ 63.6% |
| 4 Months— | | |
| C. N. R. | $76,501,805 | $ 69,093,343+ 10.7% |
| Oper. Exp. | 66,812,587 | 65,318,560+ 2.3% |
| Net | 9,689,217 | 3,774,782+156.7% |

**Pig Iron Output—(tons)**

| Apr., 1926 | Mar., 1926 |
|---|---|
| 67,607 | 53,251+ 27% |

### FINANCIAL

**Bank Clearings—**

| | 1926 | 1925 |
|---|---|---|
| May | $1,457,770,430 | $1,309,598,823+11.3% |

**Savings Deposits—Chart. Banks—**

| | | |
|---|---|---|
| March | $1,337,573,158 | $1,266,231,798+ 5.6% |

**Current Loans—By Banks—**

| | | |
|---|---|---|
| March | $900,379,266 | $917,645,337— 1.8% |

### COMMERCIAL

**Balance of Trade—**

| 12 months, April 30— | 1926 | 1925 |
|---|---|---|
| Exports | $1,328,743,664 | $1,092,551,749+21.6% |
| Imports | 936,099,334 | 795,864,047+17.6% |
| Balance | 392,644,330 | 296,687,702+32.3% |

**Wheat, No. 1 Nor., Winnipeg—**

| 1926 | 1925 |
|---|---|
| June 7 $1.55 | June (Av.) $1.71 |

**Cattle—(Good, Toronto)**

| | |
|---|---|
| June 7 $8.60 | June (Av.) $7.69 |

**Hogs—(Select, Toronto)**

| | |
|---|---|
| June 7 $16.73 | June (Av.) $13.07 |

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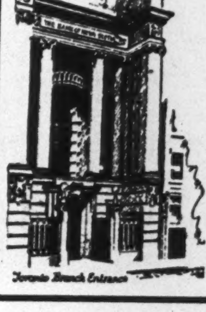

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# The Investment History of the C.P.R.

## Boom in West at Beginning of Present Century Received Its Impetus From Without — Free Land Gone in States

**By RIELLE THOMSON, Eastern Editor, The Financial Post — Seventh Article**

THERE was no inherent domestic reason why the boom in the northwest which came at the beginning of this century should not have occurred in 1885. As usual, it was a happening elsewhere in the world which brought prosperity to the Dominion at that time.

Suddenly, just before 1900, the Canadian northwest woke up. Nothing particular had occurred to increase the interest in the country; it had been making slow but steady progress—but suddenly the whole world discovered that the country had been misjudged. The real reason behind the bettered realization of the potentialities of the Canadian northwest was the exhaustion of all the free grants and cheap land worth having in the United States. Then, suddenly a rush began to the Canadian prairies. There were millions of acres of good land unoccupied and owned by the government, by the Canadian Pacific and by the Hudson's Bay Company, which had received them in consideration of its old rights.

Free grants of land could be obtained on condition of settlement and cultivation; other excellent land could be obtained from the two companies at a nominal price. For some generations, it had been the habit of many Americans to take up land in the hinterland of that country and, by making improved farms, sell it at a good price during a prosperous time. Then these pioneers moved further westward again and repeated the same process, or possibly the same process was repeated by their progeny. Thus, the Dominion government, through its Minister of the Interior, Clifford Sifton, inaugurated for the first time an active policy of immigration, which brought in thousands of these pioneers from the States — men with a knowledge of agriculture who saw in Canada the opportunity of making a good profit by developing the new land—a process with which they were well acquainted.

At the beginning of the present century, then, American agriculturists had completely settled the United States; good farms there were worth $50 to $75 an acre.

### The Western Awakening

Suddenly, it was discovered that the Canadian northwest provided a field just as promising as had been the American west and middle west ten or fifteen years previously. Indeed, it was better, for it was soon discovered that there was no wheat land in the United States which could produce quite such a high grade wheat as the Canadian prairies. So, all through the western states, as times were good there, the American farmers sold their well equipped and well maintained farms at excellent prices and moved northward to the Canadian prairies, where they took up larger tracts of land at nominal prices, which eventually grew as valuable as their farms in the south had done. Many of the immigrants who thus came to Canada were men with capital and a complete experience which well equipped them for the life of the plains; this was exactly the type of existence to which they had been born and to which they were accustomed.

Many of them, too, liked Canadian law and order; this liking for the country in many instances was natural, for many of them were sons of Canadians who previously had gone to the United States, when the backwoods of Ontario and Quebec offered but a poor living.

The migration began by tens of thousands and increased to fifty thousand a year, and brought in millions of dollars to the country.

### Britons Realize Possibilities

The hard-headedness of the Yankee had long been recognized in England, and so the spectacle of large numbers of Americans annually moving into Canada quickened the Briton's sense of the value of this section of his colony. Naturally, in the wake of eastern Canadians and north-western Americans, there began a steady flow of British immigrants to the west.

The change in the fate of the prairie provinces in the first thirteen years of this century was miraculous. Winnipeg leapt up to a population of 160,000 and small towns along the railroad, which for years had languished, made marvellous strides. The country outside these towns, however, also took on an interesting change and all the way from the rocky hills of northern Ontario to the mountains of British Columbia became a continuous procession of homesteads, consisting of farms from 160 to 640 acres. Between 1900 and 1912 the population of the prairies increased from 400,000 souls to 1,300,000. Naturally, the railroad could not help but be affected and its earnings greatly increased.

### Will the West Prosper

One of the factors, however, affecting the C.P.R., is whether or not the west will prosper in the future. It cannot be expected that the prairie provinces will again witness any boom comparable to that which began some twenty-five years ago. At the same time, although the price of wheat in the world has never recovered its old figures, yet the northwestern farmer, owing to the widely recognized quality of his Canadian grain and to the improvements in implements and transportation, gets about double the price he used to. Formerly, allowing for his marketing costs, the northwestern farmer only received about half of even the lowest price paid in England. This, however, is all changed now. The actual cost of growing wheat on the prairies is still, and probably always will be, less than in Great Britain or in eastern Canada. It seems fair to presume, then, that with Canadian northwestern grain the best product of its kind in the world, and with all costs more than comparable to other world wheat fields, the eventual future of the country as a steady grower of wheat is assured.

During the years previous to the war, British Columbia had also made steady progress and, although the opening of the Panama Canal naturally diverted some of the traffic which would otherwise have moved over the Canadian Pacific lines, yet this also tended to broaden the market for some of British Columbia's natural products, such as lumber, which now is being sold along the Atlantic seaboard; this in turn, plus the quickening of industry along the coast, served in a measure to offset some of the effects which had accrued to the C. P. R. through the opening of the Central American canal.

### Maritimes Failed to Benefit

The material prosperity in the west naturally produced a considerable revival of business in the east and this resulted in a large industrial expansion in Ontario and Quebec. This bettered the road's earnings from its eastern lines. The only section in Canada, in the banner years between 1901 and 1912, which failed to benefit was the Maritime provinces; they showed no increase in population. This was but natural, as their best agricultural land had all been filled up generations before the immigrants flooded into Canada. Naturally, the steel and iron works in Nova Scotia benefited through the awakened industrial activity in the central provinces, but the Maritime provinces failed to keep step with the advances made by the other sections of the country—due principally to the fact that they could find no markets for any increased production, either agricultural, or iron, steel and coal.

By 1910 farmers in eastern Canada had more than adjusted themselves to the changed agricultural conditions, and farmers in the east with mixed farming, cattle and sheep raising, were doing a good business.

# REGINA FREIGHT PROPOSALS TO HURT MANITOBA

## Western Provinces Are Not a Unit on Railway Matters

WINNIPEG.—Assertion by J. B. Coyne, K.C., that Manitoba stood to suffer an extra freight rate burden of $1,000,000 a year if the propositions to be forwarded by the City of Regina were sustained by the railway commission at the forthcoming sessions of that body in the west, and the election of T. N. Clayton, president of the North Star Oil and Refining Co., Ltd., to the chairmanship of the prairie division of the Canadian Manufacturers' Association were the features of the annual meeting of that body.

Mr. Coyne sketched the present freight rate situation and declared that Manitoba was facing a critical problem in the contention put forward both by Vancouver and Regina. Winnipeg, Mr. Coyne said, was the natural point from which distributive rates should begin. All traffic to the west came through to Winnipeg, and it was a matter of no importance whether there was trans-shipment to train at the head of the lakes or not. The traffic in bulk and density all came as far as Winnipeg from which point it broke off in various directions, he said, adding that the contention of Regina would be that the head of the Lakes was the point at which distributive rates should come into force. This meant, he asserted, that an extra burden of from one to six cents per 100 pounds would be added to the burden of all Manitoba and Saskatchewan shippers, and all for the sake of a small benefit to Regina.

### Vancouver and Alberta

Similarly, he pointed out that Vancouver and Alberta were claiming a reduction in the mountain rates to which, in his opinion, they were not entitled. Vancouver, he declared, sought to get all the advantages of her geographical position without any of the disadvantages such as the costly mountain haul to the prairie market.

The officers elected for the coming year were as follows: T. N. Clayton, chairman; L. A. Wilson, first vice-chairman; H. Echlin, second vice-chairman. The executive council is composed as follows: William Martin, E. G. Parker, J. O. Thorn, T. R. Deacon, J. W. Ackland, W. G. Fraser, all of Winnipeg; John Burns, Calgary; C. A. Pratt, Medicine Hat; John East, Saskatoon, and C. A. Graham, Edmonton.

# Farmer Organizations to Expand the Wheat Pool

REGINA.—If amalgamation of the Saskatchewan Grain Growers' Association and the Farmers' Union of Canada is agreed upon at the joint convention at Saskatoon, July 15, a board of ten members will be appointed to conduct a membership drive for the new farmers' organization, G. F. Edwards, president of the S.G.G.A., points out in a circular letter being sent to locals.

Membership in the new organization will not take effect until the beginning of 1927, Mr. Edwards states, because after the joint convention arrives at a decision a special act of incorporation will have to receive the sanction of the Legislature.

Both organizations will concentrate their efforts with the assistance of the Wheat Pool organization department in an endeavor to secure signatures from farmers and their wives to authorizations for the Wheat Pool to deduct from the proceeds of the crops of pool farmers the amount of the membership fee in the new farmers' organization. In the case of non-pool farmers they will be asked to join the new organization.

# Car Loadings Show Ten Per Cent. Gain

Owing to the effect of the holiday, car loadings for the last week of May declined sharply, as at this time last year. Total cars loaded and received from connections for the first five months of the year show an advance of 10 per cent. over last year's for the same period. The totals were 1,965,057 and 1,778,304 cars. The big decreases were 2,738 cars of grain, 1,919 of merchandise, and 1,934 cars of miscellaneous freight. The gain was equally divided between east and west.

### OTTAWA THEATRES LIQUIDATING

The liquidator of Ottawa Theatres, Ltd., which was sold this spring to the B. T. Keith Corporation, has mailed cheques covering a dividend of 20 per cent. to preferred shareholders. While the company's affairs are not all wound up yet, this is probably all that preferred shareholders will receive. Common shareholders will receive nothing.

The theatre was sold at a price of $537,000, and it is estimated that the loss to over 1 000 shareholders was approximately $500,000.

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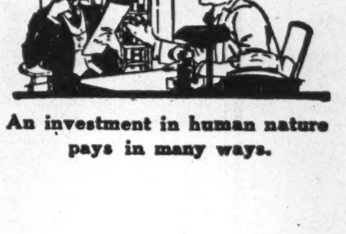

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Foreign Issues quoted

**DOMINION SECURITIES CORPORATION LIMITED**

MONTREAL OFFICE
189 St. James Street

Established 1901
E. R. WOOD, President

LONDON, ENG., OFFICE
No. 6 Austin Friars

Head Office: 26 King Street East
TORONTO 2

# *The Securities Markets*

## MARKET ADVANCE MARKED BY SOME DISTRIBUTION

### Careful Investors Are Inclined to Take Out Profits

**Market Indicator**

| 20 Industrial Stocks | High | Low |
|---|---|---|
| Week of June 9 | 92.9 | 91.2 |
| Week of June 2 | 92.6 | 89.8 |
| Mth. of June, 1925 | 78.8 | 73.4 |
| **9 Bank Stocks** | | |
| Week of June 9 | $222 | $221 |
| Week of June 2 | 223 | 221 |
| Mth. of June, 1925 | 207 | 205 |
| **10 Public Utilities** | | |
| Week of June 9 | 93 | 92 |
| Week of June 2 | 93 | 92 |
| Mth. of June, 1925 | 90 | 86 |

The forward movement of Canadian stocks has continued with gains quite general throughout the Toronto and Montreal exchange lists and the speculative favorites maintaining their leadership. Advances have particularly featured the foodstuffs, utilities, tractions and general industrial groups, while in the banks, papers and textiles recessions have slightly predominated. Following is a summary of the week's changes as affecting the various groups:

| | Gains | Loss | Unch. | Ttl. |
|---|---|---|---|---|
| Banks | 2 | 3 | 4 | 9 |
| Paper | 5 | 6 | 6 | 17 |
| Steel | 6 | 6 | 18 | 36 |
| Foodstuffs | 19 | 5 | 12 | 36 |
| Utilities | 13 | 7 | 11 | 31 |
| Tractions | 5 | 1 | 9 | 15 |
| Textiles | 2 | 4 | 7 | 13 |
| Industrials | 15 | 7 | 22 | 44 |
| Totals | 67 | 39 | 89 | 195 |

There have been no new developments of major importance or significance. The advance is evidently based upon the indications of general, if moderate, improvement in the industrial situation and during such a period there is usually a tendency to accept these at their face value without analyzing deeply as to the fundamental situation. While there has been comparatively little inflation in the Canadian situation, as compared with the recent rise and collapse in the United States, there is a growing feeling among the more conservative investors that there is considerable distribution going on and that it is a time to take profits rather than increase holdings. This does not necessarily mean that the advance is nearing its limit or that a reaction is impending but prices generally must be regarded as high and not very attractive for the investor who is in a position to wait for bargains.

The strength in the Canadian markets has undoubtedly been in a large degree a reflection of the resumption of the recovery of the New York market under the leadership of such favorites as U.S. Steel and General Motors. This movement has been very impressive for several weeks but recently there has been in evidence a tendency to differentiate between various issues, and the general strength has been followed by a mixed situation in which some of the leaders have continued their advance and some others have suffered a reaction, after having evidently been taken up to an unwarranted level in the general rise.

The whole situation has again developed pronounced evidence of uncertainty and every indication of business conditions for the latter months of the year and beyond will be very carefully watched. If the recent indications of improved business are continued the market recovery will be fully justified but if the adjustment is to be carried further another decline in stock prices may be looked for. Students of the situation who study the larger movements are submitting that what has taken place in Wall Street is the first or financial adjustment and that there is still to be experienced the subsequent or actual industrial adjustment. Against this is the argument that the situation as regards production, consumption and credit never warranted a major change in the business trend and that what has been taking place has been a temporary reaction of more than usual violence and extent.

## 76% of Shareholders Agree to C. S. L. Plan

**From Our Own Correspondent.**

MONTREAL.—There was a considerable amount of discussion at the special meeting of the Canada Steamship Lines held this week to ratify the proposals of the management with regard to the disposition of the dividend arrears of the preferred shares. At the meeting, 100,641 shares were voted; of these 96,374 were for the plan, whilst 4,145 voted against its acceptance. Out of a total of 104,049 common shares which voted at the meeting, 75 were against the plan.

The meeting was prolonged due to the expression of the views of several of the large preferred shareholders, who, with their legal adviser, opposed the compromise.

The Canada Steamship Lines has outstanding 125,000 shares of preferred stock. From the vote taken at the meeting it will be seen that 96 per cent. of those represented favored the plan, whilst 4 per cent. were opposed. Thus over 76 per cent. of all the preferred shareholders have definitely signified their acceptance of the exchange of holdings.

For every $100 par value, 7 per cent. preferred, plus arrears of dividends, which at the close of the present year will total $35 per share, new 6 per cent. preferred shares will be issued in exchange with a par value of $120. The new preferred will be participating; should the common stock eventually pay a dividend of 3 per cent., the preferred will receive 7 per cent., and, should the common shareholders ever receive disbursements in excess of 3 per cent., the preferred dividend would be increased to 8 per cent.

It is anticipated that it will be a month or two before the management be ready to undertake the new financing which is to take care of the temporary loans required to purchase the Playfair shipping interests. The new bond issue will simplify considerably the present rather involved position of the company's outstanding mortgages and debenture stock.

## B.C. Pulp and Paper Earnings Are Increasing

**From Our Own Correspondent.**

MONTREAL.—Dealing with the satisfactory position of the British Columbia Pulp and Paper Company, "Investment Items," published by the Royal Securities Corporation, says as follows:

"Net profits, subject to adjustment, for the six months ended April 30, after deduction of operating and maintenance expenses, and available for bond interest and reserves, were $372,042—at the annual rate of $744,084. After allowance for interest paid May 1 on the 6 per cent. first mortgage bonds (which were given in exchange for Whalen first mortgage 6's), the balance available for general mortgage bond interest and reserves was at the annual rate of $521,634, or nearly five times the annual interest requirement of the general mortgage 7's. The general mortgage bonds, with a substantial common stock interest, were offered in January last to holders of Whalen 7 per cent. debentures.

"As at April 30, the company's interim balance sheet shows net current assets in excess of $1,300,000, including approximately $700,000 cash, with no bank loans outstanding."

## Fraser Companies' Earnings Show Considerable Advance

MONTREAL.—Earnings of the Fraser companies for the first quarter of 1926 are reported to be substantially in excess of those for the same period a year ago, and the company is maintaining itself in a strong liquid position. More favorable markets for bleached and easy bleaching sulphite have contributed substantially to its improved earnings position, and as the product of the company's Madawaska paper mill becomes more firmly established in its market, earnings towards the end of the year from this source should be substantial.

All of the company's pulp and paper plants are operating at full capacity.

### SPILLERS MILL TO BE COMPLETED

CALGARY.—Construction of the big Spiller's Mill is to be completed this year, and the mill is expected to be ready for operation in October.

No Compromise in Security Values

DEMAND STERLING REPORTS
CERTIFIED REGISTERED PROFESSIONAL ENGINEERS
Sterling Appraisal Company Limited
9-11 E. Wellington St. Toronto

# *Food Products*

## CANADIAN BAKERIES' OUTLOOK EXCELLENT

### Active Demand for Shares As Economies Are Put Into Operation

Increased interest in the food product securities and also in the shares of recently merged organizations is reflected in the continued strength of Canadian Bakeries, which went to new high points this week. The class A common shares have sold around 38.

While it is less than nine months since the consolidation of the western Canadian bakeries into Canadian Bakeries, Limited, it is not too soon to find out whether or not the anticipated economies are materializing. There is ample evidence that they are. When the stock was first sold to the public it was intimated that the company would be able to show earnings on the common from the outset. This does not mean that dividends are in prospect in the near future. The new concern will undoubtedly endeavor to work into a quite strong cash position before any action is taken with regard to dividends on the common. The charter states that no dividends shall be paid on any other shares ranking after the first preferred shares at any time when the tangible assets of the company shall not exceed $2,200,000, nor when the net current assets of the company shall not exceed $250,000 after the payment of any such dividends.

Some months ago it was estimated that earnings on the common might easily approximate $4 a share. Actual earnings, it is now known, are better than was anticipated, as substantial economies are being effected. There is much similarity between this stock and Canada Bread. Both are organized along somewhat similar lines, resulting, as each did, from the merger of certain smaller bakery units. The new concern probably has the advantage of being able to count, for its future earnings, both on the advantages and savings effected through centralized management, and the benefits to be derived from gradually expanding business in a growing territory of unlimited promise. The natural growth of the territory from Winnipeg to the coast, which, virtually, is the market of Canadian Bakeries, will inevitably be tremendous during the next two or three decades, and the earning possibilities of an organization such as this, growing up with the country, are unlimited. The Shelly units of the new organization are among the most efficient in the Dominion, and the new enterprise will undoubtedly all be brought up to this standard, which will mean that the enterprise will rank among the best on the continent.

## Dominion Stores Calling Preferred

Notice has been given by Dominion Stores, Limited, that its class A and B preference stock will be called for redemption as of July 2, at $115 and accrued dividends. The class A issue totals $1,000,000 and $593,900 is outstanding. There is only $15,000 of the class B stock outstanding. The retirement of these issues will require some $700,000.

The most recent statement of the company, that of December 31, showed current assets of $1,777,993 and current liabilities of $654,396. The former consist of $396,646 in cash, $1,325,525 in merchandise inventory and $57,821 in accounts receivable. The price range of class A shares in 1924 was between 81 and 100, and last year, between 97 and 109. The high for 1926 to date was 116 and the low 106. The common stock becomes the first capital liability of the company on the retirement of the preferred, since there is no bond issue outstanding.

The company has now in operation 415 stores, of which 60 are in Montreal. This year's policy of expansion called for the addition of 50 new stores and 30 have already been opened.

## Shredded Wheat Pays Quarterly Dividend

The anticipated increase in the dividend on Shredded Wheat Company stock has been announced. It is a quarterly dividend of 75 cents, payable June 30, to shareholders of record June 21. This is equivalent to an annual rate of $3 per share, or $12 on the old stock. Division of the old stock on a basis of four to one was made recently. This new dividend represents an increase of 2 per cent. on the old dividend of 10 per cent., or of 2½ per cent. on the new.

The business of the Shredded Wheat Company is said to be going along on a quite satisfactory basis. There are now five factories, two in Niagara Falls, New York, one in Niagara Falls, Ont., one in Oakland, Cal., and one recently opened in a suburb in London, Eng. The latter plant supplies the trade of the United Kingdom and the Continent.

There are now 40,000 shares of no-par common now outstanding, the new shares having no par value. Earnings last year were at the rate of 13.92 per cent. of the old stock of $100 par value. This compared with 14.17 per cent. in the previous year, and 12.77 per cent. in 1923. Trading has not been active for some time, but was selling this week at 50 3-8, which is a gain of 2 3-8 from the last sale.

### OGILVIE FLOUR SPURT

Ogilvie Flour common stock made a sharp advance of 13 points in its first appearance for nearly three weeks, with a quotation of 185 against a recent sale at 172. The stock opened the year at 175 and went to a high of 200, after which it receded to 165. The present quotation at which there was a large number of sales is nearer the actual value of the stock than the recent low prices.

### ARNOLD STOCK IN DEMAND

Arnold Bros. common stock has been on the market only since the first week of May, but has already made a gain of some 45 per cent., and the shares are in demand. A gain of from 18 1-2 to 26 5-8 in so short an interval would scarcely have been possible were not the public thoroughly sold on this type of merchandise. The volume of business carried on by Arnolds continues to grow.

## Business for 'Lantic Sugar at High Level

MONTREAL.—During the four-weeks' period ending May 22, 1926, the sugar manufactured by Canadian refineries totalled 64,750,785 lbs.; this is a decided drop from the figures for the corresponding period in 1925, which were 106,937,581 lbs.

The sugar manufactured in this country from the first of the year to May 22 has also declined as compared with 1925; in 1925 the refineries turned out 398,596,596 lbs., as compared with 346,113,594 lbs. this year. During the month of April, also, exports of Canadian refined sugar decreased from 24,916,100 lbs. last year to 23,467,700 lbs. this year.

However, the figures of the May production do not tell the whole story, nor indicate the real position of the refineries, for at the beginning of May the stocks on hand were 22,000,000 pounds higher than at the corresponding period of last year.

Thus, during the first five months of 1926, the Atlantic Sugar Refineries has manufactured and sold more sugar than last year, and the company's operations during May exceeded those of May, 1925.

### MAPLE LEAF UP

Against continued weakness in most of the milling stocks, Maple Leaf common continues to show strength, being quoted at 63 this week, which is the highest point since March. The low point for the year to date was 88 in the first week of January.

### LAKE OF WOODS WEAK

The common stock of the Lake of the Woods Company has receded further to 140, after a long decline since the beginning of the year when the stock was quoted at around 175. The weakness of this stock is attributed to the general condition of the milling industry which for some time has been unfavorable.

New Issue

$2,500,000

Canada Northern Power Corporation Limited

6½% Fifteen-year Sinking Fund Collateral Trust Bonds

DATED MAY 1ST, 1926 DUE MAY 1ST, 1941

Principal and semi-annual interest (May 1st and November 1st) payable at par at the holder's option at any branch of the Royal Bank of Canada in Canada, or at the Agency of the said Bank in the City of New York in United States Gold Coin, or in Sterling at the branch of the said Bank in London, England, at the fixed rate of $4.86⅔ to £ Sterling, without deduction for present or future taxes of any nature imposed by any taxing authority in Canada, save any income tax which may be imposed on any person residing in Canada in respect to the interest on the bonds. Redeemable in whole or in part on any interest date on thirty days notice at 105 and accrued interest up to and including May 1st, 1931, after which date the redemption price shall decrease by ½ of 1% each year until maturity. Coupon bonds in interchangeable denominations of $1,000, $500, and $100, with privilege of registration as to principal, or as to principal and interest.

TRUSTEE: Montreal Trust Company

CAPITALIZATION
(On completion of present financing)

| | Authorized | Issued |
|---|---|---|
| 6½% Fifteen-year Sinking Fund Gold Bonds | $3,000,000 | $2,500,000 |
| 7% Cumulative Preferred Stock | 7,500,000 | 4,750,000 |
| Common Shares (of no par value) | 75,000 shs | 40,000 shs |

*The following summary is based upon a letter of Mr. J. B. Woodyatt, Vice-President, Canada Northern Power Corporation Limited.*

THE COMPANY: Canada Northern Power Corporation, Limited, incorporated under the laws of the Dominion of Canada, controls through stock ownership Northern Canada Power Limited, Northern Ontario Light & Power Company Limited, and Porcupine Power & Telephone Company Limited. These Companies own and operate seven hydro-electric plants, two air compressing plants, the electric lighting systems in the towns of Cobalt, Haileybury, New Liskeard, Kirkland Lake, Timmins, South Porcupine, Englehart, and the telephone systems in Timmins and South Porcupine. Preparations are being made to serve the proposed new town of Noranda in the Rouyn mining field in Northern Quebec. Through its subsidiaries the Company also owns a pulp mill, which has a daily capacity of 42 tons of groundwood pulp, and a 50-square-mile timber limit.

PROPERTIES: The plants of the Companies are situated on the Mattagami, Montreal and Matabitchouan Rivers in Ontario and on the Quinze (Ottawa) River in Quebec. The plants, at present, have a combined capacity of 76,500 h.p. and the ultimate capacity is about 116,000 h.p. This additional capacity can be obtained at a relatively low cost as it only entails additions to the Quinze Plant.

The transmission system at present consists of approximately 400 miles of high-tension lines. An extension of 50 miles of 110,000-volt line to serve the Rouyn district in Northern Quebec will be completed before 1927.

The distribution system consists of all the necessary lines and equipment for serving the following municipalities: Cobalt, Haileybury, New Liskeard, Kirkland Lake, Timmins, South Porcupine and Englehart. There are also 29 miles of steel pipe line for distributing compressed air.

PROPERTY VALUES AND SECURITY: The replacement value of the constituent Companies has been recently estimated by well-known engineers at about $21,000,000, against which there are divisional securities outstanding amounting to $13,650,000. As specific security for this ssue there has been deposited with the Trustee $1,000,000, 7½ per cent 5-year Debenture Notes of Northern Canada Power Limited, 41,000 Common shares of a total outstanding 45,850 Common shares of the Northern Ontario Light & Power Company Limited and 30,000 shares of stock of Porcupine Power & Telephone Company Limited, being all the issued capital stock of the latter Company. The Company covenants, as is more fully set out in the Trust Deed that in the event of any of the collateral being retired, it will either deposit security with the Trustee of equal market value, or retire bonds of this issue with funds so received.

EARNINGS: The net earnings of the constituent Companies, as certified by Messrs. P. S. Ross & Sons, for the year ending December 31st, 1925, after payment of all underlying charges, including the expenses of Canada Northern Power Corporation Limited, and allowance for minority common stock interest amounted to.............. $766,545.73
Bond Interest (this issue).............. $162,500.00

*Net Earnings available for bond interest over 4½ times requirement.*

The earnings of the constituent Companies for quarter ending March 31st, 1926, show an increase over the preceding year of 12 per cent, which increase does not include any benefit from the contract signed with the Horne Copper Corporation (subsidiary of Noranda Mines Limited).

SINKING FUND: The Trust Deed provides for an annual Sinking Fund sufficient to redeem 33⅓% of this issue by maturity, first payment to be made May 1st, 1930.

PURPOSE OF ISSUE: The proceeds of this issue, together with the proceeds from the sale of junior securities to be issued, are being used to purchase a controlling interest in Northern Ontario Light & Power Company Limited.

POWER MARKET: The territory served includes all the important mining areas in Northeastern Ontario and Northwestern Quebec. The expansion of the power business in these territories is best evidenced by the fact that the output for 1924 exceeded that of 1923 by 19%, and was 60% greater than that of 1920; while 1925 shows a 13% increase over 1924. The Rouyn field (Northern Quebec) promises to be as large a field as Northeastern Ontario, and the demand for power is expected to show rapid growth. The areas served include the gold mining districts of Porcupine, Kirkland Lake, Larder Lake, silver areas of Cobalt, South Lorrain and Gowganda, and the copper-gold district of Rouyn (Northern Quebec). In addition to its mineral wealth, the territory served is rich in timber resources, the development of which is creating a further demand for hydro-electric power.

*The properties of the subsidiaries of Canada Northern Power Corporation Limited, have been favorably reported on for us by Messrs. Viele, Blackwell & Buck, of New York, who have been associated with the constituent Companies since their inception.*

All legal details are subject to opinion of our Counsel, E. R. Parkins, K.C., Montreal.

We offer these bonds as, if, and when issued and received by us, and subject to satisfactory legal opinion.

Price 100 and accrued interest to yield 6½%

NESBITT, THOMSON & COMPANY
LIMITED
Royal Bank Building, TORONTO
MONTREAL HAMILTON WINNIPEG QUEBEC LONDON, ONT.

The statements in this advertisement are not guaranteed, but are based on information which we believe reliable, and on which we acted in purchasing these securities.

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## Textiles

# CONVERTERS MADE $7.60 ON COMMON IN FISCAL YEAR

### Compares With Showing of $7.24 in Preceding Statement

From Our Own Correspondent.

MONTREAL.—The annual report of the Canadian Converters Company for the fiscal year ending April 30, 1926, shows that profits amounted to $173,754 as compared with $154,471 last year. Of the former figures, $161,800 came from profits of subsidiary companies, whilst $11,954 was interest derived from investments. The working capital figures show the company to be in a strong liquid position which is little changed from the 1925 showing.

Amongst the assets, inventories are shown up by over $100,000, whilst accounts receivable have increased by some $50,000. Amongst the liabilities, accounts payable has also increased by about $50,000, whilst a bank loan of $55,000 makes its appearance for the first time.

The net profits applicable to common dividends have increased over last year despite the fact that the company made an allowance of $30,000 for depreciation and taxes, as compared with only $10,000 in the preceding year. Bond interest has been reduced considerably due to the fact that the company was able to retire $200,000 of the Standard Shirt Company bonds in 1925.

### Moderate Improvement

In discussing the report, Mr. Roy stated that, while no boom is in prospect, a continuation of the moderate improvement is reasonably to be expected.

"The improvement in business that began about the end of our previous fiscal year was maintained throughout the year just ended, and, in spite of keen competition, has enabled the company to show somewhat better net results than during the preceding year."

### The Earnings Record

The profit and loss account figures for the past three years compare as follows:

| | 1925-26 | 1924-25 | 1923-24 |
|---|---|---|---|
| Profits | $173,754 | $154,471 | $193,778 |
| Bond interest | 11,940 | 18,940 | 23,940 |
| Balance | $161,814 | $135,531 | $169,538 |
| Depreciation | x30,000 | x10,000 | x45,000 |
| Net profit | $131,814 | $125,531 | $124,832 |
| Dividends | 121,345 | 121,345 | 121,345 |
| Surplus | $ 10,469 | $ 4,186 | $ 3,487 |
| Prev. surplus | 655,495 | p651,308 | 655,822 |
| P. and L. bal. | $665,964 | $655,484 | $659,309 |
| Earned on com. | $7.60 | $7.24 | $7.20 |

xIncluding reserve for tax.
pAfter expense of moving "Black" plant.

**Working Capital**

| | 1925-26 | 1924-25 | 1923-24 |
|---|---|---|---|
| Curr. assets | $921,794 | $800,494 | $921,808 |
| Curr. liabs. | 203,834 | 95,194 | 764,625 |
| Work. cap. | $717,960 | $705,300 | $764,625 |
| Pref. dividends | | 45,206 | 45,206 |
| Com. dividends | | 39,252 | 39,252 |
| Balance | | $ 27,173 | $ 29,911 |
| Surp. forward | | 206,537 | 195,748 |
| | | $233,710 | $225,659 |
| Taxes | | 14,902 | 19,121 |
| Surplus | | $218,808 | $206,538 |

The balance sheet shows an increase in assets of nearly $100,000 accounted for by larger inventories and plant investments, but the increases are moderate in view of the expansions in output and capacity referred to by President Moore. Current liabilities are increased and there are substantial additions to the reserve fund against depreciation and the surplus profits. Following are comparative figures:

**The Balance Sheet**

| Assets | 1926 | 1925 |
|---|---|---|
| Current | $713,175 | $654,858 |
| Capital | 876,603 | 846,996 |
| Goodwill | 853,462 | 865,434 |
| Prepaid | 27,136 | 18,948 |
| | 2,470,377 | 2,386,237 |
| **Liabilities** | | |
| Current | 251,015 | 207,814 |
| Stock | 1,300,000 | 1,300,000 |
| Bonds | 323,500 | 350,000 |
| Reserve | 377054 | 321,885 |
| Surplus | 218,808 | 206,537 |
| | 2,470,377 | 2,386,237 |

## Canadian Converters Has Good Volume of Business

MONTREAL.—At the annual meeting of the Canadian Converters Co., J. Harvey Roy, the president, mentioned the fact that the company had carried forward a greater volume of business into the new fiscal year than in the previous year, and further added that the first month of the new year showed a greater volume of business than in the corresponding month of last year.

The board of directors was re-elected as follows: J. Harvey Roy, president; John M. Mackie, vice-president; Thomas J. Rodger, J. N. Laing, T. R. Rennie, D. Paterson and R. C. McMichael, K. C. Thomas M. Barrington was again appointed secretary-treasurer.

### UNLISTED SECURITIES

| | Bid | Asked |
|---|---|---|
| Brooks Steam Motors | 7 | 8 |
| Can. Machinery, com. | 5 | . |
| Can. Westinghouse, com. | 162 | 166 |
| Cosgrave Brewery | 3¾ | 4½ |
| Dom. Power, pref. | 95 | 98 |
| Farmers Dairy, com. | 45 | .. |
| Farmers Dairy, pref. | 100 | 102 |
| Dunlop Tire, pref. | 77 | 80 |
| B. Greening Wire, pref. | 94 | 96 |
| Copeland Flour, com. | 2 | 4 |
| Gunns, Ltd., pref. | 26 | 30 |
| King Edward Hotel, Deb. A | 77 | 80 |
| King Edward Hotel, Deb. B | 57 | 60 |
| K. & S. Tire, pref. | 18 | 21 |
| Loblaw Groc. pref. | 101 | . |
| Loew's Toronto, pref. | 85 | 88 |
| Loew's London, com. | 3 | 3⅜ |
| Loew's Ottawa, pref. | 20 | .. |
| Pure Food, com. | 29 | 31½ |
| Mount Royal Hotel, pref. | 37 | 39 |
| Willard's pref. | 70 | 72 |
| Capital Life 25% paid | 23 | 26 |
| Continental Life 20% Paid | 34 | .. |
| Crown Life | 122 | .. |
| Empire Life | 22 | .. |
| Excelsior Life 25% Paid | 47 | .. |
| Great West Life | 360 | .. |
| Imperial Life | 260 | .. |
| Monarch Life 10% Paid | 21 | .. |
| Ontario Equitable | 25 | 27½ |
| Re-Insurance | 17 | .. |
| Security Life, 40% Paid | 30 | 34 |
| Sovereign Life, 25% Paid | 26 | 28½ |
| Toronto Finance, pref. | 4½ | 5¼ |
| Trusts & Guarantee | 77 | 79 |

## Financiers View Their Investments in Canada

From Our Own Correspondent

MONTREAL.—Sponsored by J. E. Aldred, of the investment house of Aldred and Company, a party of about 80 prominent bankers, financiers and men representing commercial and business interests in Canada and the United States, arrived this week in Montreal to look over personally their power and other interests in the province of Quebec generally and particularly in the districts served by Shawinigan and in the Saguenay district where the greatest development in the world is being engineered at the present time. The members of the party hold, either in trust or personally, large blocks of stock and bonds representing investments in Shawinigan Water and Power and the projects in the Lake St. John region.

Included in the party are J. E. Aldred, president of the Shawinigan Water and Power Company; Arthur V. Davis, president of the Aluminum Company of America; C. A. Austin, president of the Seaboard National Bank; A. R. Graustein, president of the International Paper Company; A. A. Tilney, president of the Bankers Trust Company, New York; Albert H. Wiggin, president of the Chase National Bank, New York; Herbert A. Wardner, president of the Consolidated Gas and Electric Company, Baltimore; and H. E. McEldowney, president of the Union Trust Company, Pittsburgh.

## National Brewery Benefits by Operation of Dows

MONTREAL.—Steady investment accumulation continues in National Breweries common stock with the result that the improvement in buying power which has developed over the past few days has resulted in considerably smaller floating supply of the stock on the market. Buying of the issue has been greatly encouraged by reports that the company is doing very much better this year, despite the fact that the summer weather has been fitful. The company is steadily feeling the benefit of the new and improved Dows Brewery plant, and operation of this is greatly improving the efficiency of the organization and increasing production.

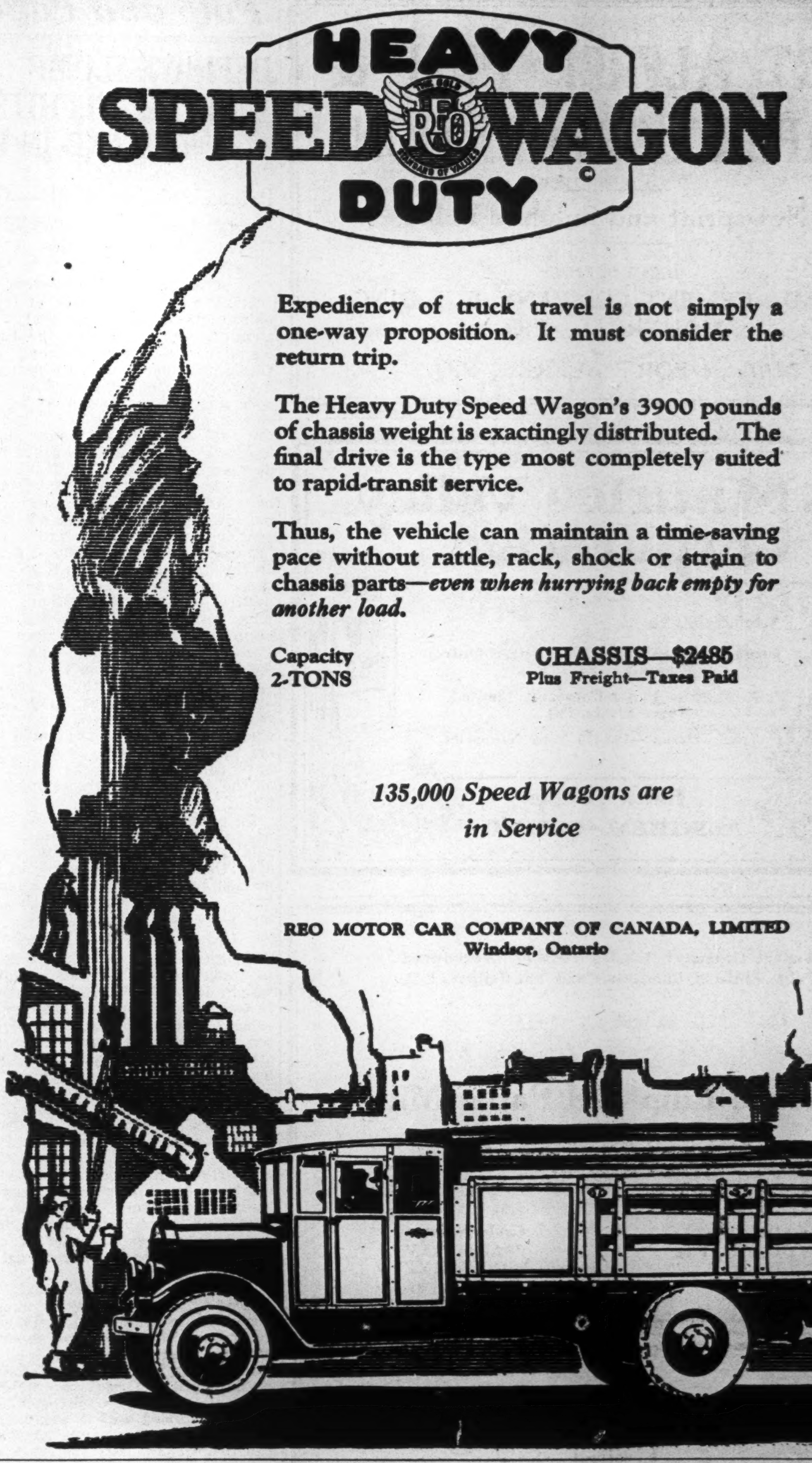
### "STEAMERS" BUILDS NEW SHIP

MONTREAL.—The Canada Steamship Lines has completed arrangements with the Davie Shipbuilding Company at Lauzon, P.Q., for the construction of a new vessel. This ship, which will be of the large Richelieu type, is to be ready for delivery on June 1, 1927.

# Stock Market Record

WEEK ENDING JUNE 1

| | Div. Rate | Yield June 7 | High for wk. | Low for wk. | Close June 8 | Close June 1 | Sales for wk. | Range, 1926 High | Range, 1926 Low |
|---|---|---|---|---|---|---|---|---|---|
| **Banks—** | | | | | | | | | |
| Commerce | 12+1 | 5.96 | 218 | 217¾ | 218 | 217¾ | 135 | 226 | 214 |
| Dominion | 12+1 | 6.13 | 212¼ | 211 | 213⅛ | 212 | 62 | 219 | 210 |
| Can. Nationale | 10 | 6.34 | ... | ... | ... | ... | ... | 170 | 157 |
| Imperial | 12+1 | 6.27 | 207½ | 206¼ | 206¾ | 207 | 45 | 215½ | 200 |
| Montreal | 12+2 | 5.34 | 265½ | 262 | 262 | 262 | 27 | 265½ | 251½ |
| Nova Scotia | 16 | 5.74 | 285 | 283 | 285 | 286 | 80 | 300 | 281 |
| Royal | 12+2 | 5.60 | 250 | 249 | 249 | 249½ | 76 | 255⅛ | 248 |
| Standard | 12 | 6.09 | 197 | 196 | 197 | 197 | 20 | 200 | 195 |
| Toronto | 12 | 5.63 | 213 | 213 | 213 | 213 | 1 | 222 | 213 |
| **Paper—** | | | | | | | | | |
| Abitibi, com. | 4 | 5.47 | 73 | 72½ | 72¾ | 73½ | 766 | 85½ | 70¼ |
| Do. pref. | 7 | 6.42 | .. | ... | ... | ... | ... | 116 | 109 |
| Abitibi, com. (new) | . | ... | .. | ... | ... | ... | ... | 22 | 22 |
| Do. pref. (new) | . | ... | .. | ... | ... | ... | ... | 68¼ | 68¼ |
| Belgo-Can. com. | 6 | 6.00 | .. | ... | ... | ... | ... | 100 | 100 |
| Do. pref. | 7 | 7.14 | 99 | 97½ | 98 | 98⅝ | 166 | 101 | 95¾ |
| Brompton (no par) | . | ... | 31¾ | 30 | 30 | 31⅝ | 1340 | 35¼ | 26 |
| Laurentide | 6 | 6.76 | 88¾ | 86 | 87 | 86¾ | 2627 | 93½ | 81½ |
| Price Bros. com. | 2 | 2.03 | 65 | 64 | 64 | 66 | 205 | 72 | 57 |
| Do. pref. | 6½ | 6.50 | 100 | 99⅞ | 100 | 99 | 240 | 100 | 95 |
| Prov. Paper, com. | 6+1 | 6.86 | 102 | 102 | 102 | 102 | 25 | 104 | 100 |
| Do. pref. | 7 | 6.68 | .. | ... | ... | ... | ... | 104½ | 100 |
| Smith, Howard, com. | . | ... | 62 | 47 | 52 | 47 | 735 | 54½ | 38 |
| Do. pref. | 8 | 8.20 | 97½ | 96½ | 97½ | 98 | 115 | 101 | 92¾ |
| Span. River, com. | 7 | 7.07 | 100 | 97½ | 97½ | 99 | 642 | 100 | 96½ |
| Do. pref. | 7 | 6.33 | 110½ | 109½ | 110 | 109 | 521 | 119 | 108 |
| St. Maurice Paper | 6 | 5.66 | .. | ... | ... | ... | ... | 106 | 104½ |
| Wayagamack | . | ... | 70 | 68 | 70 | 56 | 186 | 83 | 56 |
| **Steel and Steel Industries—** | | | | | | | | | |
| B.E. Steel, com. | . | ... | 1 | ⅝ | ¾ | 1 | 505 | 8½ | ½ |
| Do. 1st pref. | . | ... | 15 | 13 | 13 | 13½ | 650 | 30 | 11½ |
| Do. 2nd pref. | . | ... | 2⅝ | 2½ | 2½ | 3 | 245 | 10¾ | 2¼ |
| Can. Car & Found., com. | . | ... | 40 | 37 | 39¼ | 37 | 115 | 49 | 33 |
| Do. pref. | 7 | 8.64 | 82 | 81 | 81½ | 80 | 530 | 85¾ | 73 |
| Can. Fairbanks, pref. | . | ... | .. | ... | ... | ... | ... | 60 | 60 |
| Can. G. E., com. (par $50) | . | ... | .. | ... | ... | ... | ... | 51 | 47 |
| Do. pref. (par $50) | 7 | 6.25 | 56¼ | 56 | 56 | 50 | 24 | 60 | 54½ |
| Can. Locomotive, com. | . | ... | .. | ... | ... | ... | ... | 42 | 35 |
| Do. pref. | 7 | 8.43 | .. | ... | ... | ... | ... | 89½ | 73 |
| Canada Iron, com. | . | ... | .. | ... | ... | ... | ... | 10 | 10 |
| Do. pref. | . | ... | .. | ... | ... | ... | ... | 42 | 39 |
| Dominion Coal | . | ... | 51 | 50 | 50 | 50⅛ | 100 | 52 | 40½ |
| Dominion Iron, pref. | . | ... | .. | ... | ... | ... | ... | 24¾ | 5 |
| Dominion Bridge | 4 | 4.01 | 99 | 96½ | 99 | 97 | 1385 | 99½ | 86 |
| Dom. Radiator, pref. | 7 | 6.98 | .. | ... | ... | ... | ... | 103½ | 100¼ |
| Dom. Steel Corp., pref. | . | ... | 16 | 14½ | 15½ | 16 | 150 | 25 | 10⅝ |
| Ford Motor | 10 | ... | .. | ... | ... | ... | ... | 622 | 500 |
| Massey-Harris, com. | . | ... | 53 | 52½ | 52½ | 52½ | 805 | 60 | 40 |
| Do. pref. | 7 | 7.40 | 95 | 94½ | 95 | 94¾ | 293 | 97 | 93 |
| N.S. Steel | . | ... | .. | ... | ... | ... | ... | ... | ... |
| Do. pref. | . | ... | .. | ... | ... | ... | ... | 25 | 25 |
| Ontario Steel, com. | 4 | 5.55 | .. | ... | ... | ... | ... | 76 | 60 |
| Do. pref. | 7 | 7.14 | .. | ... | ... | ... | ... | 102 | 100 |
| Russell Motor, com. | . | ... | .. | ... | ... | ... | ... | 42 | 39 |
| Do. pref. | 7 | 8.97 | .. | ... | ... | ... | ... | 80 | 76 |
| Sawyer-Massey | . | ... | .. | ... | ... | ... | ... | ... | ... |
| Do. pref. | . | ... | .. | ... | ... | ... | ... | 13 | 5 |
| Steel of Canada, com. | 7 | 6.79 | 108 | 101 | 102 | 102 | 654 | 106½ | 95⅛ |
| Do. pref. | 7 | 6.06 | 116 | 115 | 115½ | 115 | 191 | 118½ | 114 |
| McKin. Ind., c. (no par) | . | ... | 17 | 17 | 17 | 18 | 10 | 26½ | 15 |
| Do. pref. | 7 | 7.77 | 90 | 90 | 90 | 90 | 20 | 92 | 88 |
| **Milling and Feedstuffs—** | | | | | | | | | |
| Arnolds, com. | . | ... | 26⅝ | 24½ | 26 | 24⅞ | 2031 | 26⅝ | 18 |
| Do. pref. | 7 | 7.69 | 91 | 90½ | 91 | 91⅞ | 102 | 97⅞ | 89½ |
| Atlantic Sugar, com. | . | ... | 26¼ | 24½ | 26¼ | 24⅞ | 2918 | 33⅞ | 21½ |
| Do. pref. | . | ... | 82½ | 81 | 82½ | 80½ | 389 | 88 | 75 |
| B.C. Fishing | 5 | 7.35 | 68¼ | 66¾ | 68¼ | 66¾ | 1495 | 75¼ | 57¼ |
| Can. Baker., c. (no par) | . | ... | 37¾ | 35 | 37 | 29½ | 712 | 37¾ | 26½ |
| Do. pref. | 7 | 7.36 | 95 | 94⅞ | 95 | 94⅞ | 122 | 98½ | 92⅞ |
| Can Bread, com. (no par) | . | ... | 70⅛ | 68½ | 68½ | 70½ | 440 | 70⅛ | 58 |
| Do. pref. (A) | 7 | 6.48 | 108 | 107½ | 108 | 108 | 100 | 110 | 105 |
| Do. pref. (B) | 7 | 7.03 | 99½ | 99 | 99½ | 98½ | 182 | 99½ | 96¼ |
| Can. Canners, com. | . | ... | 13¼ | 13 | 13¼ | 13 | 57 | 15 | 12½ |
| Do. pref. | 1 | ... | 64¼ | 63½ | 64¼ | 63⅞ | 675 | 67¾ | 60 |
| Canadian Salt | 8 | 6.06 | 134 | 134 | 134 | 132 | 4 | 145 | 130 |
| Christie Bis. (no par) | . | ... | .. | ... | ... | ... | ... | 63½ | 44¾ |
| City Dairy, c. (par $25) | 12 | 4.16 | 74½ | 72 | 74½ | 75 | 125 | 81 | 67 |
| Do. pref. | 7 | 6.54 | 108 | 107 | 108 | 107¼ | 28 | 112 | 107 |
| Cuban Can. Sugar, com. | . | ... | .. | ... | ... | ... | ... | 5 | 3 |
| Do. pref. | . | ... | .. | ... | ... | ... | ... | 28 | 21½ |
| Dom. St's, c. (no par 60c.) | . | ... | 59¼ | 59 | 59 | 59 | 235 | 68 | 56 |
| Do. pref. | 8 | 6.89 | 116 | 116 | 116 | 115 | 10 | 116 | 106 |
| Wm. Davies, (A) | . | ... | 30¾ | 30¾ | 30¾ | 30½ | 95 | 37½ | 30 |
| Inter. Milling, pref. | 7 | 6.93 | 101 | 101 | 101 | 99 | 35 | 105¼ | 99 |
| Lake of Woods, com. | 12 | 8.51 | 142 | 140 | 141 | 143 | 51 | 175 | 139 |
| Do. pref. | 7 | 5.93 | 118 | 118 | 118 | 115½ | 10 | 118 | 115 |
| Maple Leaf Mill., com. | . | ... | 63 | 63 | 63 | 63 | 185 | 88 | 50⅛ |
| Do. pref. | 7 | 7.38 | 95 | 94⅞ | 94⅞ | 95 | 50 | 110 | 92 |
| Ogilvie Flour, com. | 5 | 2.70 | 185 | 185 | 185 | 172 | 50 | 200 | 165½ |
| Do. pref. | 7 | 5.95 | .. | ... | ... | ... | ... | 125 | 117 |
| P. Gold Mfg. (no par 50c.) | . | ... | .. | ... | ... | ... | ... | 23½ | 20 |
| Shred. Wheat (no par) | 10 | 5.00 | 50½ | 48 | 50¼ | 48 | 285 | 50½ | 47½ |
| St. Law. Flour, com. | . | .... | .. | ... | ... | ... | ... | 45 | 28 |
| Do. pref. | 7 | ... | .. | ... | ... | ... | ... | 84 | 82 |
| Viau Bis., com. | . | ... | 27½ | 27 | 27½ | 27 | 420 | 27½ | 18 |
| Do. pref. | 7 | 8.23 | 85 | 85 | 85 | 85 | 73 | 89 | 85 |
| West. Can. Flour | 8 | ... | .. | ... | ... | ... | ... | 115½ | 110 |
| West. Grocers, com. | . | ... | 5 | 4 | 5 | 4 | 9 | 13¼ | 4 |
| Do. pref. | . | ... | 52 | 51 | 52 | 51 | 2 | 64 | 49 |
| **Utilities—** | | | | | | | | | |
| Bell Telephone | 8 | 5.83 | 138¼ | 136½ | 138¼ | 136¾ | 277 | 141 | 131 |
| Consumers Gas | 10 | 5.76 | 174 | 173½ | 174 | 173 | 105 | 183⅞ | 172 |
| Cons. Gas, rights | . | ... | 4.07 | 4.00 | 4.07 | 4.00 | 1515 | 4.85 | 3.90 |
| Cedar Rapids | 8 | ... | .. | ... | ... | ... | ... | 40 | 40 |
| East Kootenay Power | . | .... | 30⅞ | 30⅞ | 30⅞ | 28⅞ | 45 | 32 | 25 |
| Inter Util. (A) (no par) | 87¼ | ... | .. | ... | ... | ... | ... | 88½ | 82½ |
| Do. (B) | . | ... | .. | ... | ... | ... | ... | 9¼ | 7½ |
| Jamaica Pub. Serv. pref. | 7 | 7.07 | 99 | 98 | 99 | 98 | 25 | 99 | 96¼ |
| Laurentide Power | 5 | 5.00 | 103 | 103 | 100 | 100 | 2 | 110 | 100 |
| Mackay, com. | 7 | 5.29 | 133¾ | 132 | 133¼ | 135⅝ | 145 | 136 | 105 |
| Do. pref. | 4 | 5.67 | 72 | 70 | 70½ | 70⅝ | 169 | 73½ | 68¾ |
| Mexican Light, com. | . | ... | 31½ | 31½ | 31½ | 31⅞ | 200 | 31⅞ | 29 |
| Do. pref. | . | ... | 72 | 72 | 72 | 71 | 30 | 75 | 64 |
| Mont. L. H. & Pr. Cons. | 8 | 3.58 | 228½ | 226½ | 228½ | 227½ | 2803 | 230 | 209 |
| Montreal Teleg. (par $40) | 8 | 6.40 | 50 | 49 | 50 | 48 | 3 | 51½ | 48 |
| Ottawa L. H. & Pr. com. | 6 | 6.15 | 97½ | 97 | 97½ | 97¼ | 12 | 100 | 97 |
| Do. pref. | 6½ | 6.43 | 102 | 101 | 102 | 101 | 46 | 105¼ | 100 |
| Ottawa & Hull Pr. | . | ... | 30¾ | 30¾ | 30¾ | 30 | 40 | 30¾ | 25 |
| Do. pref. | 7 | 6.14 | .. | ... | ... | ... | ... | 116 | 109½ |
| Quebec Power, com. | 5 | 4.16 | 120 | 118 | 120 | 120 | 30 | 125 | 113 |
| Do. pref. | . | ... | 114 | 114 | 114 | 114 | 15 | 114 | 110 |
| Shawinigan | 8 | 4.37 | 183 | 181 | 181 | 183½ | 157 | 191 | 167½ |
| South. Can. Pr., com. | 2.00 | 2.27 | 88 | 88 | 88 | 90 | 10 | 90½ | 83 |
| Do. pref. | 6 | 5.94 | 101 | 100¾ | 100¾ | 100¾ | 65 | 101½ | 100 |
| So. Can. Power rights | . | ... | 2 | 1¾ | 1¾ | 1¾ | 594 | 2 | 1¾ |
| Northern Mexico Pr. | . | ... | 42 | 42 | 42 | 41 | 10 | 47 | 42 |
| **Transportation—** | | | | | | | | | |
| Can. Pacific Rly. | 10 | 6.25 | 160 | 159 | 159½ | 158½ | 62 | 163 | 147 |
| Can. Steamships, com. | . | ... | 18¾ | 18 | 18 | 18⅜ | 510 | 20 | 11 |
| Do. pref. | . | ... | 72½ | 70½ | 71½ | 71½ | 1841 | 73¼ | 56 |
| Do. voting | . | ... | 18¼ | 18 | 18 | 18¼ | 90 | 19 | 11 |
| **Tractions—** | | | | | | | | | |
| Barcelona (par $50) | . | ... | 28 | 27¾ | 28 | 28 | 57 | 29 | 26 |
| Brazilian, com. | 5 | 5.05 | 99 | 96¼ | 98⅝ | 97⅛ | 27690 | 99 | 80 |
| Do. pref. | 6 | 5.94 | .. | ... | ... | ... | ... | 102½ | 97½ |
| Detroit Un. Rly. | . | ... | 2 | 2 | 2 | 2 | 50 | 3½ | 2 |
| Duluth-Superior | . | ... | .. | ... | ... | ... | ... | 32¾ | 25 |
| Ill. Traction, pref. | 6 | 6.23 | .. | ... | ... | ... | ... | 96¼ | 96¼ |
| Montreal Trams. | 10 | 6.06 | .. | ... | ... | ... | ... | 178 | 159 |
| Ottawa Traction | 4+1 | 8.00 | 63 | 63 | 63 | 60 | 25 | 65¾ | 60 |
| Porto Rico Rlys., com. | . | ... | 43 | 41 | 43 | 42¼ | 26 | 47 | 40 |
| Do. pref. | 7 | 8.04 | 87 | 86½ | 87 | 86½ | 62 | 91 | 86½ |
| Quebec Rly. | . | ... | .. | ... | ... | ... | ... | 26¾ | 26 |
| Twin City, com. | 5 | 6.68 | 75¼ | 74½ | 74½ | 75 | 1368 | 79½ | 68¼ |
| Do. pref. | 7 | 6.79 | .. | ... | ... | ... | ... | 103 | 102¼ |
| Winnipeg Elev., com. | 1 | ... | 47 | 46 | 47 | 46½ | 290 | 54⅝ | 45¼ |
| Do. pref. | 7 | 7.14 | 98 | 98 | 98 | 98 | 30 | 100½ | 95 |
| **Textiles—** | | | | | | | | | |
| Can. Conn. Cot., pref. | 4 | 10.00 | .. | ... | ... | ... | ... | 49 | 40 |
| Can. Converters | 7 | 7.77 | 91 | 90 | 91 | 90 | 60 | 94 | 90 |
| Can. Cotton, com. | 8 | 7.08 | 113 | 113 | 113 | 114 | 5 | 124 | 113 |
| Do. pref. | 6 | 6.38 | 94½ | 94 | 94 | 95¼ | 41 | 99½ | 94 |
| Can. Woollens, com. | . | ... | .. | ... | ... | ... | ... | 8 | 5 |
| Do. pref. | . | ... | 45 | 45 | 45 | 50 | 10 | 50 | 45 |
| Dom. Textile, com. | 5 | 5.43 | 92 | 92 | 92 | 92 | 55 | 99⅛ | 89 |
| Do. pref. | 7 | 6.00 | 116½ | 116 | 116½ | 116 | 30 | 122 | 115 |
| Monarch Knt., com. | . | ... | .. | ... | ... | ... | ... | 10 | 3 |
| Do. pref. | 4 | .... | .. | ... | ... | ... | ... | 50 | 45 |
| Mont. Cottons, com. | 6 | 5.82 | .. | ... | ... | ... | ... | 105 | 102 |
| Do. pref. | 7 | 6.19 | .. | ... | ... | ... | ... | 115 | 110 |
| Penmans, com. | 8 | 4.37 | 183 | 183 | 183 | 184 | 50 | 190 | 178 |
| Do. pref. | 6 | 5.81 | .. | ... | ... | ... | ... | 104½ | 102 |
| Wabasso Cotton | 4 | 6.55 | 61 | 61 | 61 | 61 | 10 | 65 | 61 |
| **General Industrials—** | | | | | | | | | |
| Amer. Sales. c. (par $20) | 4 | 7.40 | 55 | 54 | 54 | 54 | 65 | 70 | 54 |
| Do. pref. | 7 | 7.44 | 95 | 94 | 94½ | 94 | 105 | 98 | 92 |
| Asbestos Corp., com. | 6 | 5.60 | .. | ... | ... | ... | ... | 110 | 89 |
| Do. pref. | 6 | 4.74 | .. | ... | ... | ... | ... | 128 | 109 |
| Do. com. (new) | . | ... | 24 | 23½ | 23½ | 23¾ | 1106 | 24½ | 17¾ |
| Do. pref. (new) | . | ... | 79¾ | 78 | 79¾ | 77¾ | 3226 | 79¾ | 62 |
| Building Prod., pref. | 7 | 8.04 | 87 | 87 | 87 | 86½ | 10 | 87 | 85¼ |
| Brantford Cordage, pref. | 8 | 8.00 | 26 | 25⅝ | 26 | 25¾ | 241 | 27½ | 25⅝ |
| Burt, F. N., c. (par $25) | 2 | 3.77 | 53 | 52½ | 53 | 52 | 380 | 67 | 50 |
| Canada Cement, com. | 6 | 5.76 | 104½ | 102 | 104½ | 102 | 540 | 111½ | 98 |
| Do. pref. | 7 | 6.18 | 113¼ | 113¼ | 113¼ | 113¼ | 142 | 120 | 112¼ |
| Cons. Rubber, pref. | 7 | 8.00 | .. | ... | ... | ... | ... | 87½ | 86½ |
| Can. Ind. Alc. (no par) | 1.28 | 7.11 | 19½ | 18¼ | 19 | 19⅜ | 5207 | 20 | 16¼ |
| Crow's Nest Coal | 6 | 9.23 | 65 | 62 | 64 | 61 | 95 | 85 | 51 |
| Dom. Glass, com. | 7 | 7.25 | 96½ | 95 | 95 | 97 | 160 | 105 | 85 |
| Do. pref. | 7 | 6.66 | 106 | 105½ | 106 | 106½ | 17 | 111 | 105½ |
| East. Theat., c. (par $25) | . | ... | .. | ... | ... | ... | ... | 25¼ | 18¾ |
| Do. pref. | 7 | 7.93 | .. | ... | ... | ... | ... | 90 | 88 |
| Famous Play. (com.) | . | ... | 90½ | 89 | 89½ | 89½ | 90 | 18½ | 12 |
| Do. pref. | . | ... | .. | ... | ... | ... | ... | 94¼ | 89½ |
| Gilman, com. | 6 | 5.55 | .. | ... | ... | ... | ... | 108 | 104½ |
| Do. pref. | 7 | 6.03 | .. | ... | ... | ... | ... | 116½ | 113½ |
| Goodyear Tire, pref. | 7 | 7.62 | 91¾ | 90¾ | 91¾ | 91 | 55 | 97 | 85 |
| Holt, Renfrew, pref. | 7 | 7.95 | .. | ... | ... | ... | ... | 90 | 85½ |
| Kelvinator, com. (no par) | . | ... | 19 | 16½ | 17 | 18 | 225 | 20¼ | 15 |
| Do. pref. | 7 | 7.60 | 91 | 91 | 91 | 91 | 31 | 93⅞ | 90 |
| King Ed. Hotel | . | ... | .. | ... | ... | ... | ... | 41 | 25 |
| Lyall Construction | . | ... | 46 | 45 | 46 | 45 | 420 | 48 | 20 |
| Nat. Brew., c. (par $25) | 4 | 6.37 | 63 | 62¾ | 62¾ | 60½ | 1935 | 69 | 56 |
| Do. pref. | 7 | 6.54 | .. | ... | ... | ... | ... | 110 | 106 |
| National Brick, com. | . | ... | .. | ... | ... | ... | ... | 12½ | 10 |
| Do. pref. | 7 | 11.66 | .. | ... | ... | ... | ... | 72 | 60 |
| Pacific Burt, com. | 6 | 6.31 | .. | ... | ... | ... | ... | 110 | 90 |
| Do. pref. | 7 | 6.60 | .. | ... | ... | ... | ... | 110 | 102 |
| Port Hope Sani., com. | ¾ | 8.48 | .. | ... | ... | ... | ... | 88 | 74½ |
| Do. pref. | 7 | 6.71 | .. | ... | ... | ... | ... | 105 | 99 |
| Rogers, Wm., com. | . | ... | 51 | 51 | 51 | 50 | 101 | 67 | 45 |
| Do. pref. | 7 | 7.40 | 94⅝ | 94⅝ | 94⅝ | 94½ | 5 | 97 | 90 |
| Sherwin-Wms., com. | 6 | 4.54 | 131 | 130½ | 130½ | 130¾ | 195 | 135 | 125 |
| Do. pref. | 7 | 6.22 | 113⅛ | 112⅛ | 112½ | 113 | 341 | 114 | 110½ |
| Sterling Coal | 4 | 10.00 | 40 | 40 | 40 | 38 | 16 | 43 | 37 |
| Tooke Bros., com. | . | ... | .. | ... | ... | ... | ... | 8 | 8 |
| Do. pref. | . | ... | 57 | 57 | 57 | 55 | 30 | 60 | 55 |
| Tuckett Tobacco, com. | 4 | 6.45 | .. | ... | ... | ... | ... | 65 | 61¾ |
| Do. pref. | 7 | 6.86 | 102 | 102 | 102 | 102 | 10 | 105 | 100 |
| Woods Mfg., com. | . | ... | .. | ... | ... | ... | ... | 47 | 38 |
| Do. pref. | 7 | 8.04 | 88 | 88 | 88 | 87 | 20 | 90 | 77¾ |
| **Trust and Loan—** | | | | | | | | | |
| Central Canada | 12 | 5.71 | .. | ... | ... | ... | ... | 210 | 210 |
| Canada Landed (par $50) | 10+1 | 5.78 | .. | ... | ... | ... | ... | 100 | 95 |
| Can. Permanent | 12 | 5.79 | 208 | 208 | 208 | 208 | 1 | 208½ | 202½ |
| Colonial Invest. (par $10) | 6 | ... | 6 | 6 | 6 | 6¼ | 18 | 6½ | 4 |
| Hamilton Prov. | 10 | 6.36 | .. | ... | ... | ... | ... | 157 | 157 |
| Huron & Erie | 7+½ | 5.63 | 133 | 133 | 133 | 132½ | 264 | 133 | 127½ |
| Landed Banking | 9 | 6.00 | .. | ... | ... | ... | ... | ... | 150 |
| Mont. Loan (par $50) | 12+1 | 6.50 | .. | ... | ... | ... | ... | ... | 50 |
| National Trust | 12 | 5.00 | .. | ... | ... | ... | ... | 245 | 235 |
| Ontario Loan (par $50) | 11 | 5.28 | .. | ... | ... | ... | ... | 106 | 3½ |
| Real Estate Loan | 7 | 8.23 | .. | ... | ... | ... | ... | 106 | 100½ |
| Toronto Gen. Trusts | 12 | 5.33 | 221 | 221 | 221 | 225 | 1 | 225 | 220 |
| Toronto Mtge. (par $50) | 10+1 | 5.55 | 100 | 100 | 100 | 100 | 47 | 100 | 93½ |
| Union Trust | 7 | 7.14 | .. | ... | ... | ... | ... | 101 | 98 |
| **THE CURB MARKET** | | | | | | | | | |
| Andes Pete. | . | ... | ... | ... | ... | ... | ... | 6⅝ | 6⅝ |
| Beacon Oil | . | ... | 163¼ | 16¾ | 16¾ | 17¼ | 40 | 19½ | 14¼ |
| Brit. Amer. Oil (par $25) | 10 | 4.90 | 51¼ | 50¾ | 50¾ | 51 | 1175 | 53¼ | 47 |
| Can. Oil, com. | 1¼ | ... | .. | ... | ... | ... | ... | 75 | 65 |
| Do. pref. | 8 | 7.61 | .. | ... | ... | ... | ... | 106 | 100 |
| Continental Oil | 25c | ... | 20⅞ | 20¼ | 20⅞ | 21¼ | 310 | 26 | 20 |
| Dryden Power (no par) | . | ... | .. | ... | ... | ... | ... | 7¾ | 5½ |
| East. Engineering | . | ... | .. | ... | ... | ... | ... | 2½ | 1 |
| Good. & Worts | 6 | 2.72 | .. | ... | ... | ... | ... | 237 | 193 |
| Imperial Oil (no par) | 1.00 | 2.53 | 37 | 36¼ | 36 | 36⅞ | 1215 | 38½ | 32½ |
| Inter. Pete. (no par) | 75c. | 2.22 | 34⅝ | 33⅞ | 33⅞ | 34⅝ | 900 | 35½ | 29¼ |
| Manitoba Power | . | ... | 36 | 35 | 35 | 36 | 119 | 42 | 24 |
| Newsprint Corp. | . | ... | .. | ... | ... | ... | ... | 27 | 18 |
| North Star Oil, c. (par $5) | . | ... | .. | ... | ... | ... | ... | 105 | 75 |
| Do. pref. | . | ... | .. | ... | ... | ... | ... | 4.75 | 4.05 |
| Simpsons, pref. | 6 | 6.06 | .. | ... | ... | ... | ... | 102 | 99 |
| St. Maur. Valley Corp. | . | ... | .. | ... | ... | ... | ... | 58½ | 40 |
| Toronto R. S. | . | ... | .. | ... | ... | ... | ... | 1.55 | 1.10 |
| Volcanic Oil (par $25) | 62 | ... | .. | ... | ... | ... | ... | 29 | 26½ |
| Attendu Eng. | . | ... | 38 | 37 | 37 | 35 | 2136 | 48 | 7 |
| Can. North. (com.) | . | ... | 29 | 26 | 29 | 30 | 206 | 30 | 26 |
| Do. pref. | . | ... | .. | ... | ... | ... | ... | 94½ | 94½ |
| Eng. Elec. com. (no par) | . | ... | .. | ... | ... | ... | ... | 24½ | 15 |
| Do. pref. | . | ... | 68 | 66 | 68 | 66½ | 28 | 72 | 59½ |
| Illinois Power, pref. | . | ... | 97 | 97 | 97 | 97 | 50 | 98½ | 96 |
| N. S. Car | . | ... | 8 | 7½ | 8 | 5 | 170 | 11 | 5 |
| Paton Mfg. Co., com. | . | ... | .. | ... | ... | ... | ... | 55 | 50 |
| Do. pref. | . | ... | .. | ... | ... | ... | ... | 98 | 75 |
| Power Corp. (no par) | . | ... | 24 | 24 | 24 | 23 | 200 | 28¼ | 23 |
| Pressed Metals | . | ... | .. | ... | ... | ... | ... | 40 | 30 |
| St. Law Pr. (no par) | . | .... | 38 | 38 | 38 | 41½ | 25 | 46½ | 36 |
| St. Maurice Pr. | . | ... | .. | ... | ... | ... | ... | 82 | 75 |
| United Secs., com. | . | ... | 52 | 52 | 52 | 53 | 474 | 65 | 52 |
| Do. pref. | 6 | 5.79 | 104¼ | 103 | 104¼ | 103½ | 16 | 105 | 103 |
| Cockshutt, pref. | . | ... | .. | ... | ... | ... | ... | 62 | 57¼ |



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Expediency of truck travel is not simply a one-way proposition. It must consider the return trip.

The Heavy Duty Speed Wagon's 3900 pounds of chassis weight is exactingly distributed. The final drive is the type most completely suited to rapid-transit service.

Thus, the vehicle can maintain a time-saving pace without rattle, rack, shock or strain to chassis parts—*even when hurrying back empty for another load.*

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2-TONS

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Plus Freight—Taxes Paid

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Windsor, Ontario

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6½% Bonds
Due 1953

Called for Payment at 105, July 1st, 1926

Having sold the original issue in 1924, we offer our services in the matter of reinvesting these funds.

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Members { Montreal Stock Exchange
Toronto Stock Exchange

ASBESTOS
6% General Mortgage Bonds

At present price, return about
7.25%

*Assets applicable to this issue are valued at $20,190,000 as compared with $4,800,000 of bonds outstanding.*

*Net earnings of Asbestos Corporation of Canada (the principal constituent of the amalgamation) alone, after depreciation, averaged in the past eight years over three times the interest on the General Mortgage Bonds.*

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190 St. James Street,
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Newsprint and Sulphite Pulp

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MONTREAL, P.Q.

*Mills at* PORT ALFRED, P.Q.

St. Maurice Valley Corporation

*Successors to*

Belgo-Canadian Paper Company, Limited,
Shawinigan Falls, P.Q.

St. Maurice Paper Company, Limited,
Three Rivers, P.Q.

Yearly Output—195,000 Tons Newsprint

Head Office:
MONTREAL-QUEBEC

Annual Capacity: 150,000 Tons of Groundwood
Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

Quebec Pulp and Paper Mills
Limited

Executive Office:
CHICOUTIMI, P.Q.

Cable Address:
"SAGUENAY,
CHICOUTIMI"

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

Penmans
LIMITED

Manufacturers of High-Grade
Knit Underwear, Hosiery, Sweaters

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ALMONTE, Ont. COATICOOK, Que. and
ST. HYACINTHE, Que.

General Office: Paris, Ont.

Selling Agents to Wholesale Trade:
JOHN GORDON & SON,
Toronto and Montreal

SELLING AGENTS TO RETAIL TRADE
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B. S. MacFarlane, Montreal, Que.
John J. Wilson, St. John, N.B.
Bryce & Co., Ltd., Winnipeg & Vancouver.

EXPORT REPRESENTATIVES
J. J. Jardine, St. John's, Nfld.
H. W. Airey, Ltd., Auckland, N.Z.
L. C. Carrick, Cape Town, South Africa.
Hugh Scott-Young, Melbourne, Australia.
Liddell & Mitchell, Glasgow, Scotland.
Taylor & Shelmerdine, Manchester, England.
W. J. Cutcliffe, London, Eng.
W. E. Goodman, Manchester, England.

## Stadler is Appointed G. M. of Mistassini Co.

MONTREAL.—The Mistassini Pulp and Power Company has appointed John Stadler general manager. Within recent years, Mr. Stadler was assistant general manager of the Belgo company, and for the last two years has been engaged in bringing the Newfoundland Pulp and Power Company at Cornerbrook, Newfoundland, into production.

The Mistassini Pulp and Power Company has been organized by a group of Canadian and U.S. interests, headed by Mr. Walberg, who is known in the province of Quebec through his connection with deals in the pulp and paper industry. At the last auction sale of Quebec timber limits, Mr. Walberg obtained the privilege of exploiting an area of several thousand square miles of timber limits along the Mistassini River. The right to develop some 30,000 h.p. on the river was also granted under the condition that a pulp and paper mill be erected within a definite time limit.

### PAPER CONSTRUCTION DELAYED

MONTREAL.—It is said that the Spruce Falls Company is re-considering its decision to erect a 500-ton paper mill at Kapuskasing, Ont., and that the mill may be located at Smoky Falls, where power for operating both paper and sulphite mills will be developed. This has propably brought about the delay in the commencement of the construction work. The New York Times has a large interest in this company.

### PROVINCIAL PAPER EXPANDS

MONTREAL.—The new extension of the Provincial Paper Mill's plant at Port Arthur will cost $500.000. The company is installing a second paper machine and the work will be completed within six months.

Recently, the company experienced a fire loss when three carloads of pulp were burned at its Georgetown plant, but the loss of about $10,000 was covered by insurance.

### ABITIBI PRODUCTION GROWS

MONTREAL.—Almost constantly the Abitibi Power and Paper Company is setting up new mill production records. During the last week in May the machines established a daily output record in excess of 535 tons of newsprint paper.

# *Pulp and Paper*

## DEFINITE SLUMP IN THE SULPHITE DEMAND IN U.S.

### Prices Holding Well — General Outlook, However, is Favorable

**From Our Own Correspondent.**

NEW YORK.—The market for sulphite pulp is decidedly weak. Until about five or six weeks ago the demand for sulphite was strong, but a slump has come and as a consequence, a few of the sulphite producers both here and in the United States have slowed down production. This is not the case with all, but some companies have undoubtedly re-acted to the decreased demand.

In the meantime, both Canadian and American manufacturers have not lowered prices. There are several contributing factors which have brought about the decreased demand. In the first place, at this time of year there has always been a seasonable decline in the consumption of sulphite pulp, but this year the decline occurred a little earlier than usual. Possibly one of the reasons for the seasonal slump lies in the fact that some of the Scandinavian producers are unable to ship by water during the winter months and consequently each spring some of the manufacturers in Finland, Norway and Sweden have considerable stocks which come on the market after the spring breakup.

So again this year a small amount of sulphite from overseas is being sold in the States at cut price; however, the amount that comes in below market prices is not large enough to bring about price cuts by the U. S. and Canadian manufacturers.

**Orders Have Been Cancelled**

Another factor which contributed to the slump is the rayon industry, which, during the past 12 months anticipated an increased production of some 50 per cent.; although the output of rayon has made tremendous strides during the past year, yet it has not increased by 50 per cent. and as a consequence there have been cancellations of orders by the rayon producers.

Many of the pulp companies though were canny enough to see that the increased output of rayon in 1926 would not be as large as was anticipated by the manufacturers; some pulp mills, therefore, oversold their production and with the cancellation of orders found themselves in a very satisfactory position.

Again, the big market slump in U. S. this spring undoubtedly exercised a certain psychological influence on the manufacturers of book paper who, well remembering the debacle of 1921, immediately took stock of the prophetic signs. These manufacturers saw a decreased unfilled steel order tonnage coupled with a slight decline in commodity prices and therefore began to purchase only their actual requirements.

**Not Apprehensive of Future**

Although at the moment the sulphite market is depressed, yet no manufacturers are apprehensive of the future, for they can see no indication whatever of any decline in the consumption of book paper.

There is little doubt that after so many years of good times in the States, that country is in for a business recession, but all business and economic opinion tends to the belief that this recession will only be slight.

That business operations in the States have not been over-expanded or over-extended is seen in the recent lowering of the Federal Reserve Bank rates. This action, will in a measure, of course, help to offset any recession in the business tide.

**Consumption Increasing**

The lack of demand in the sulphite market probably indicates simply a more careful attitude on the part of buyers, rather than any falling off in the consumption. At the moment, therefore, there is little to indicate that investors who have holdings of the chemical pulp companies need worry about the immediate future of their properties.

It has been said by some investors that the weakness in the sulphite market might be reflected in that of newsprint—but opinion in the trade and the industry generally is that the consumption of newsprint will hold up well. In the meantime, the demand for newsprint is decidedly more than firm.

By and large, there are no factors which indicate any decrease in the consumption of high grade paper in the U. S. It may be said then, that in the present slackening in the demand for sulphite pulp, the shareholders in the chemical pulp companies have little to fear.

## Ontario Paper Company Begins Big Development

**From Our Own Correspondent**

MONTREAL. — The Ontario Paper Company, a subsidiary of the Chicago Tribune, with a plant at Thorold, Ontario, has begun work on the development of 30,000 h.p. on the Outarde River on the north shore of the St. Lawrence in the province of Quebec. Here the company holds under lease from the provincial government some 2,000 square miles of timber limits along the Manicouagan River, about 100 miles east of the Saguenay.

The company will employ some 300 men on its water power development work, and, as soon as this project is completed, it will immediately begin the construction of a mill with a minimum daily capacity of 100 tons of pulp.

The company's contract with the government provides that the mill must be ready by 1930; however, it is understood that the project will be completed prior to this date. The new pulp mill is to be erected on the north shore of the St. Lawrence about four miles from Outarde Falls.

Both the Ontario Paper and the Anglo-Canadian Pulp and Paper Company have interests in this district; within a few years it is thought that a city with some 10,000 inhabitants will be established.

The Ontario Paper Company is already engaged in laying out the first section of a model town in this district.

## LAURENTIDE NOT TO INCREASE DIVIDEND

### Power Subsidiary Not Likely to Raise Rate Despite Higher Earnings

**From Our Own Correspondent**

MONTREAL.— The Laurentide Company has added J. W. McConnell to its board. He is president of the St. Lawrence Sugar Refining Company, a director of the Bank of Montreal, Brazilian Traction, and Montreal "Power," and is interested in a wide list of companies in addition to the foregoing. He is also believed to have entered into a contract with Lord Atholstan, of the Montreal Star, whereby he will acquire that valuable newspaper property at the time of the latter's death, or at such time as Lord Atholstan cares to retire.

It is said also that Mr. McConnell has recently become interested in the International Paper Company. Consequently, those with vivid imaginations can immediately envisage a closer connection between International Paper and Laurentide, due to Mr. McConnell's close association with both companies, and due also to the fact that with the tremendous expansion of the industry, the next year or two will see many changes in the line-up of the various groups of pulp and paper producers.

Due to its position in the St. Maurice River valley, and its large power investment, there is no doubt that, looked at from a market point of view, Laurentide occupies a strategic position in the industry in Quebec; but, at the same time, with what evidence is in the hands of the public at the moment, it requires a very vivid imagination indeed to forecast the amalgamation of Laurentide with any one of the other producers.

**Dividend Increase Unlikely**

It has been said that there is an increase in the dividend rate of the company's subsidiary, the Laurentide Power, in prospect, but investors in the company and its parent organization would do well to recall that, after allowing $100,000 for depreciation during the year 1925, the company's earnings were just equivalent to its dividend requirements.

The company is ably and conservatively managed, and it seems reasonable to presume, then, that unless there has been a tremendous increase in the earnings during 1926, the date of increased disbursement to the shareholders is still some distance away.

It is understood that the Laurentide Company owns almost 75 per cent. of the outstanding stock of the power company. It is generally thought that its holdings amount to $7,200,000 of common stock, as compared with $10,500,000 of capital stock outstanding. It will be seen that the revenues of the parent company from this subsidiary amount to $360,000 annually. An increase of, say, 1 per cent. in the disbursement to the shareholders by the subsidiary would mean an increased revenue for the present company of $72,000 annually.

However, the history of the Laurentide Power Company reveals no wide variation in its earning power from year to year. Its record has been one of steady increases in earnings, but such increases are noticeable, rather by their steadiness, than by their size. The presumption is, then, that the year 1926 has brought improved earnings to the company, but there is little reason to expect that such an increase is of sufficient size to warrant any immediate increased disbursement to the shareholders.

## Ft. William Paper Issue Backed by Kaministiquia

MONTREAL. — The new offering of $3,500,000 of first mortgage 6 per cent. sinking fund gold bonds, Series "A," of the Fort William Paper Co., links up in an interesting manner the Fort William Paper Co. and the Kaministiquia Power Company, as was indicated some time ago would be the case. In addition, the prospectus for the issue emphasizes once more the working relationship that exists between Spanish and Abitibi interests, to which apparently has been added those of Sir Herbert Holt. One of the securities behind the bonds is an issue of $1 000,000 of 20-year 6 per cent. collaterial trust notes of Fort William Power Co., which are in turn secured by pledge of all the common stock of Kaministiquia Power Co.

## Wayagamack's Shares Stage Rapid Comeback

**From Our Own Correspondent.**

The stock of the Wayagamack Pulp and Paper Company made a quick recovery of fifteen points from its low of 56 this year. The shares are closely held; as a consequence, any news about the company is apt to be over-emphasized by the stock market.

The report of the purchase of Anticosti Island probably brought the thought into the minds of some investors that Wayagamack's dividends might be further delayed by such a purchase. But the announcement by C. R. Whitehead, the president, that the company merely holds an option on the property seems to have brought the stock back to its previous level.

Anticosti Island is at present owned by Senator Menier, a chocolate king of Paris, France. The island is some 120 miles long by a greatest breadth of 30 miles, and a maximum elevation of 700 feet above sea level. Practically the whole island is covered with forest, whilst the land along the shore line is covered with drawf spruce. The only harbor is at Follis Bay, situated on the southern shore at the more northern portion of the island. Here is situated a small settlement with a saw mill and a lobster factory. The total population is around 500.

In 1909 a railway was built from Follis Bay to Lake Zede, a distance of 25 miles; this was operated for logging for about ten years, and a pulp mill was also operated. Forestry operation ceased in 1918 and the track was abandoned.

The present owners of the Island operate a steamship, the "Fleurus," between the island and Quebec, P. Q. Whether the option includes the whole of the Menier interests has not been definitely announced, but it was stated at the outset that Senator Menier would retain the residence and a certain area of land about Port Menier. In the meantime, the company has asked its engineers to make a report on the property.

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## New Paper Mills Being Erected Near Quebec City

MONTREAL.—Following the awarding of the contract for the construction of the new newsprint mill of the Ste. Anne Power and Paper Co. at Beaupre, Quebec, work will commence this week and is expected to be completed by December 1. Machinery will then be installed and the production should begin in February next. The daily output will run about 250 tons. The company owns large limits in the Seigneury of Montmorency. This mill, it will be recalled, is another Spanish River-Abitibi enterprise, as is that of the Manitoba Paper Co. and the Fort William Paper Co.

Two other new paper mills will be constructed in the vicinity of Quebec City, one of the St. Regis Co. at Cap Rouge and the other by the Anglo-Canadian Pulp and Paper Co. at Limoilou.

### SPANISH RIVER'S MODEL TOWN

Work on the new pulp and paper mill at Pine Falls, Man., is progressing satisfactorily, according to Col. C. H. L. Jones, of Sault Ste. Marie, manager of operations of the Spanish River Pulp & Paper Mills, who was in Winnipeg recently. The construction is not a day behind schedule and the mill is expected to be ready for operation in November. P. A. Trost, New York, an engineer of the company, and Mr. Schlemm, town planner, spent a few days with Col. Jones at Pine Falls. New houses are being erected and the town will be laid out on most attractive lines.

# *Iron and Steel*

## WILL PREFERRED OF DOM. IRON CO. LOSE ITS EQUITY?

### Possibility Seen in Besco's 1925 Annual Report

### VERY LEAN YEAR

**From Our Own Correspondent.**

MONTREAL. — The most outstanding features of the 1925 annual report of the British Empire Steel Corporation is the announcement by the management that probably the Dominion Iron and Steel Company will go through some form of reorganization. This will affect not only the holders of the securities of the latter company, but also those interested in Besco and the Dominion Steel Corporation. The latter, while partly owned by Besco, in turn owns all the common stock and guarantees $4,639,000 of the consolidated mortgage bonds of the Dominion Iron and Steel.

The president points out in this connection that no assurance can be given that bond interest payments will be met next July. This is the interest on the first mortgage bonds of which there are $5,355,000 in the hands of the public. After this mortgage comes the consolidated issue of which there is $11,674,253 outstanding.

**Preferred Loses Its Equity?**

Finally the report points out that a scheme of reorganization is under way which will embrace the whole of the corporation's affairs and that this will be submitted to the shareholders within the next two months. In the meantime it seems probable that the bondholders of the Dominion Iron and Steel Company will have to guide their property through some form of reorganization. This would seem to mean that there is every chance that the holders of the preferred shares of the Dominion Iron and Steel Company may lose their entire equity in the property; that is presuming that the bondholders finally acquire all its assets; in this event Besco too, would lose all its equity in this property.

On the other hand, the prospects for the Dominion Coal Company seem brighter and the directors believe that this property will show increasing earnings.

The earnings, or rather the lack of earnings, of the corporation itself during the year are depressing. Commencing with an operating loss of over $1,000,000, the various charges resulted in increasing the corporation's deficit by $4,411,430. The one bright spot in the report is the working capital position which, while considerably lower than last year, nevertheless shows that the company is in a comfortable liquid position, still despite its many vicissitudes. The following comparison of figures, however, shows clearly the results experienced during the year:

| | 1925 | 1924 | 1923 |
|---|---|---|---|
| Income . . . | a1,133,443 | $ 923,775 | $4,444,347 |
| S.F. dep., etc. | 1,341,764 | 1,112,515 | 1,112,515 |
| Bal. . . . . | d2,475,207 | d 188,740 | 3,331,832 |
| Bond int. . | 1,936,223 | 2,023,846 | 1,978,474 |
| Bal. . . . | d4,411,430 | d2,212,586 | 1,353,358 |
| Pfd. divds. | ........ | 145,033 | 1,346,524 |
| Year's loss | 4,411,430 | 2,357,619 | b 6,834 |
| Prior def. | 1,326,588 | b1,031,031 | b1,024,198 |
| T. deficit | 5,738,018 | 1,326,588 | b1,031,032 |

aLoss from operations or properties in 1925.
dDeficit.
bSurplus.

**Working Capital Position**

| | 1925 | 1924 |
|---|---|---|
| Curr. assets ....... | $17,570,657 | $17,848,917 |
| Curr. liab. ........ | 8,033,105 | 4,729,290 |
| Net W. Cap. ....... | $ 9,537,552 | $13,119,627 |

Changes in the balance sheet include an increase in the bank loans of some $2,200,000 and increases in the other current liabilities. Among the assets, the accounts and bills receivable have increased whereas inventories and cash are decidely lower. Other changes, with the exception of the increase in the deficit transferred from profit and loss account, were of a character not sufficient to alter appreciably the other items in the exhibit.

In his remarks to the shareholders, Roy M. Wolvin, the president, says in part:

**Operations During Year**

"During the year most of the adverse conditions that existed during the previous year were continued. Although there was a moderate revival of business and a more active demand for some of the iron and steel produced by the companies included in the corporation, prices were kept at a low level by competition with lightly taxed imports from the United States and materials from France and Belgium where the use of debased currencies have the effect of making lower prices for export than for home consumption, or than the cost of production in countries, finances of which are on a gold basis. Conditions in the soft coal trade in the United States were such that there was a large output from mines that were operated under the most favorable conditions both in respect to the ease of mining and to the rates of wages paid.

"A portion of this output not being required for local consumption seeking a market in Canada, had a depressing effect on prices obtainable in a very

(Continued on page 9)

## Hamilton Bridge Co. to Reopen West End Plant

HAMILTON.—Idle for the past three or four years, the west end plant of the Hamilton Bridge Works Co. will be reopened at an early date. Improved industrial conditions are responsible, it is stated, as the company has received further substantial orders for structural steel for the new Welland Canal.

The company's west end plant formerly employed between 400 and 500 men. When the plant reopens it is likely that from 150 to 200 men will be employed. The company's larger plant in the east end of the city has never been idle.

## Algoma Steel Working at Capacity on C.P.R. Rails

Algoma Steel Corporation was successful in getting further rail business in time to prevent a partial stoppage of operations at its Sault Ste. Marie mill. The corporation was completing the rolling of rails for C. N. R. account late last week. The plants were running at 100 per cent. on double turn, and it was anticipated that this would have to be cut down to 60 per cent. An order was received on Thursday last from the C. P. R. and rolling operations on these rails commenced on Saturday. This additional business makes it possible for Algoma Steel Corporation to proceed with production at capacity rate.

The structural steel mill is now rolling steel for the Welland Ship Canal.

## TWO DOMINION CO.S ISSUE STATEMENTS

### Dominion Steel and Dominion Iron Show Big Losses

**From Our Own Correspondent**

MONTREAL.—Concurrent with the issuance of the annual report of Besco, Roy M. Wolvin, the president, has issued reports to the shareholders of the Dominion Steel Corporation and the Dominion Iron and Steel Company. In these he summarizes the position of these two constituent companies, and also the position of the Dominion Coal Company.

Dealing with the Dominion Coal Company's operations, the report states that its properties are in good condition and are capable of producing as large an output as at any time in their history, and there are reasonable prospects that the full amount of the output can be disposed of profitably.

But the coal company has large obligations both to its bankers, to the Dominion Iron and Steel, and to others, and, therefore, it needs money for extensions and improvements. Mr. Wolvin goes on to state that its requirements can be financed when the general reorganization of Besco is undertaken. He also points out that the interest and sinking fund obligations of the coal company's bonds will be met as they mature.

**Will Not Meet Interest**

In dealing with the affairs of the Dominion Iron and Steel Company, Mr. Wolvin says that while current assets are in excess of current liabilities, yet the immediately available assets are less than the aggregate amount of bank loans and accounts payable. Therefore, the directors of the company do not consider it advisable to borrow any further for the purpose of paying the interest and sinking fund requirements of the company's bonded debt, and will, therefore, postpone further payments of interest and sinking fund on the first mortgage bonds due 1929, and the consolidated mortgage bonds due 1939. Interest on these two issues is payable July 1 and September 1 respectively.

The report of the Dominion Iron and Steel Company is anything but an encouraging document. The total loss during the year amounted to $631,344. The operating profit amounted to $308,302. Amongst the assets of this company are included 2nd preference and common shares of the British Empire Steel Corporation, with a par value of $8,534,025; this item is carried on the balance sheet at the par value of the Dominion Iron's stock which was exchanged for these securities, namely, $6,321,500.

The consolidated balance sheet and profit and loss account of the Dominion Steel Corporation and its constituent companies is disheartening also, for the income account shows an operating loss during the year of $725,524. After deduction of all charges, the gross loss for the year amounted to $3,013,484. The balance sheet shows current assets of $15,003,155, and current liabilities of $6,752,131.

### McKINNON INDUSTRIES

The gear plant of McKinnon Industries, Ltd., which was affected by the original budget proposals in relation to the motor car industry in Canada, is in active operation. When the finance minister brought down his first budget proposals, Canadian motor car manufacturers at once cancelled orders that had been placed with makers of parts in this country. Following the amendments made subsequently, these orders have been reinstated and operations are once more on a favorable basis.

## STEEL OF CANADA IS HIT BY TARIFF CUT

### But Volume of Business and Earnings Are Holding Up Very Well

Reports indicate that the Steel Company of Canada is operating at a very satisfactory rate. Implement makers are busy and using a fairly large volume of Canadian steel, despite the fact that a number of lines, when imported by manufacturers of agriculture implements, are now duty free. It was felt at the time this change was made that a large volume of steel business would be diverted to U.S. mills. The change has undoubtedly made the market for such business much more competitive and Canadian mills have to figure very close on such business, but it is being turned out very largely in Canada and is helping to keep Canadian mills operating on a fairly active scale.

Production of wire rods, however, is not what it should be, largely due to the excessive competition which has been felt from the importation from European countries. Much of this importation originates in Belgium, but some rods also come from France and Germany and because of their importation through commission firms and absence of any identification on the product it is difficult to tell their source of manufacture.

The backward spring has interfered with the steel business to some extent, jobbers and retailers having been slow in taking deliveries, but it is felt that the future holds prospects for good business possibilities, much of the spring demand being postponed rather than lost entirely. With another good crop in Western Canada there is every assurance of a further improvement in the later months of the year.

Steel of Canada common has been in good demand in the strong market selling up to 103.

We have frequently suggested the purchase of Steel of Canada to yield close to 7 per cent., says the current market letter of O'Brien & Williams. The stock has great merits, which the market is inclined to overlook for the stock is selling out of line with many of the leaders of our list. Cement, for instance, sells at a price to yield 5.76 per cent., and to show the same yield Steel of Canada would have to sell at 121, or 20 points above its present price. Brazilian at 97 yields 5.15 per cent., and Steel, to equal that level would have to sell 35 points higher at 136. The Steel Company's working capital is $12,700,000, while for the past ten years the earnings on the common stock have averaged 14¾ per cent. The common stock has a book value of 185.82

## Dominion Bridge Finds Outlook to be Improved

MONTREAL.—It is generally felt that, after passing through several lean years, the Dominion Bridge Company has once again entered upon a period of better earnings. During the next four years, the work on the new South Shore Bridge in Montreal will give the company a basis upon which it should be able to build up substantial earnings.

Again, the subsidiary company, the Dominion Engineering Works, is operating at capacity turning out paper mill machinery, and there is nothing to indicate any recession in this branch of that company's operations. It is understood, also, that the parent company is to obtain the contract for the steel work of the Royal Bank's new head offices in Montreal. While the latter will undoubtedly bring with it a substantial profit, yet the company depends more on the general level of building and steel construction generally than on any one large individual contract. Already rumors have started indicating an increase in the dividend rate.

### CANADIAN CAR ADVANCES

There has been new interest in Canadian Car and Foundry stocks this week, with the common advancing to 40 and the preferred to 82. The common opened the year at 34, advanced to 49 in February, and then recently declined to 37.

## O.B.U. MENACES PROSPERITY IN C.B. COAL FIELDS

### Big Production and Heavy Shipments Are Being Reported

SYDNEY. — Big production and heavy shipments continue to testify to the prosperity that has come to the Cape Breton coal industry after several years of dissension and lean markets.

Up to May 31, Besco's total shipments up the St. Lawrence amounted to 298,000 tons, or 38,000 tons better than the best previous record in 1924, and 21,000 tons better than the best previous by Dominion Coal, in 1914.

On one day, recently, the southern mines alone turned out 23,333 tons, the best day's work since the big strike. No. 11 colliery also broke its own record by hoisting out 1,700 tons in one shift.

Steel, however, continues only fair, both at Sydney, and New Glasgow. Although the output is not large, it is widely distributed, steamers calling every day for steel products for places as near as Montreal and Great Lakes ports and as distant as South Africa, Australia and New Zealand.

A test of strength between the U. M. W. and the O. B. U. that may lead to the breaking of one or the other organization is now being made by the officers of the United Mine Workers in the form of a campaign to get back into the union every man employed in and about the Besco mines.

A few years ago, when Livingstone and McLachlan were in charge, the U.M.W. boasted with truth that it was "100 per cent. strong," and that nobody could work in the pits or on the surface who was not a member. Strong arm methods were resorted to when necessary to keep up this high standard of membership.

Under the present regime, through strikes and other causes, membership has fallen off, although not sufficiently to effect "solidarity" during strikes, as proved by last summer's conflict. At the last convention in Sydney it was stated that in some districts fully 40 per cent. of the workers were not paying their dues, and on that occasion President MacLeod stated he could assure delegates positively that if they adopted the Duncan award this situation could be remedied.

It was understood at the time that he hinted at company co-operation, as the Duncan report had recommended full recognition of the U.M.W. and the company has accepted the recommendation.

Combatting the U.M.W. move, the O.B.U. has issued a circular which among other things calls upon the workers to "eliminate this fake organization (the U.M.W.) as soon as possible"; and it charges that threats are being used to get men back into the international union, adding: "When an organization would resort to such tactics it is positive proof that it has ceased to function in the interest of the workers."

The O.B.U. is the only disturbing element in sight, and if it is wiped out in the membership campaign of the U.M.W., with it will disappear the last obstacle to a long period of prosperity among the miners.

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Reserves ......................... 1,100,000.00
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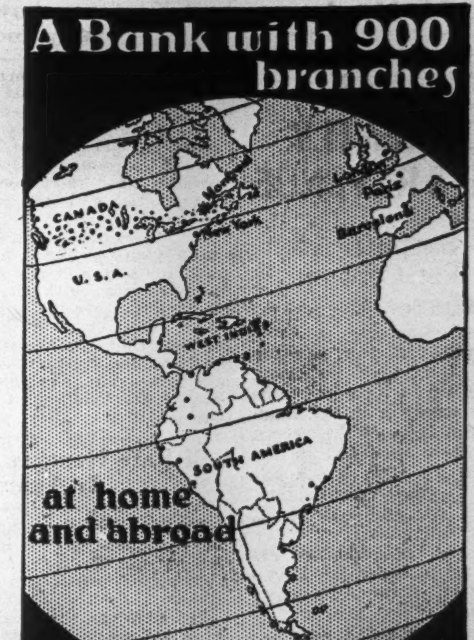

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CANADA PERMANENT
MORTGAGE CORPORATION

QUARTERLY DIVIDEND
Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of
TWELVE PER CENT. PER ANNUM
on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
FRIDAY, THE SECOND DAY OF JULY
next, to Shareholders of record at the close of business on the Fifteenth day of June.
By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, May 19th, 1926.

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Finest location to live when in town.

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$2.00, $2.50 and $3.00 per day.
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Between Grand Central and Penn Terminals.

Send for Free Map of New York.
HENRY S. DUNCAN, *Proprietor*
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## Public Utilities

# BARCELONA HAS ADDED GREATLY TO ITS REVENUE

### Substantial Surplus After Paying 5 Per Cent on Preferred

The improvement in the position and outlook of Barcelona Traction, Light and Power Co., which has been indicated by the strength in the market for the common stock in recent months, is definitely recorded in the annual statement for 1925 which has now been sent to the shareholders. Both gross earnings and net profit show substantial increase.

Total earnings of the combined enterprises show an increase of 7,208,865 pesetas, and an increase in net of 5,507,205 pesetas. The average of rate of exchange during the year between London and Spain failed to show improvement, standing at 33.71 for the year, against 33.24 in 1924 and 31.83 in 1923, 28.65 in 1922, 28.52 in 1921 and 23.32 in 1920.

The following figures give the revenue and interest charges of the company for each of the past three years and the earnings record for eight years:

**Profit and Loss**

| | 1925 | 1924 | 1923 |
|---|---|---|---|
| Revenue | $3,678,234 | $2,999,287 | $2,726,973 |
| Gen. expenses | 149,134 | 163,353 | 154,476 |
| Reorgan. exp. | 47,019 | 342,174 | ........ |
| Service of Bds. | 2,233,985 | 2,419,088 | 2,550,513 |
| Balance | $1,248,096 | $ 74,672 | $ 21,985 |
| Dividends | 1,162,445 | ........ | ........ |
| Balance | $ 5,651 | $ 74,672 | $ 21,985 |
| Previous | $ 74,672 | ........ | ........ |
| Total | $ 160,322 | $ 74,672 | $ 21,985 |

**Eight Years' Record**

| | Earnings | Surplus |
|---|---|---|
| 1918 | $1,299,779 | $ 2,835 |
| 1919 | 1,783,296 | *618,031 |
| 1920 | 1,998,877 | *231,886 |
| 1921 | 2,065,537 | *156,872 |
| 1922 | 2,575,465 | 23,085 |
| 1923 | 2,726,973 | 21,985 |
| 1924 | 2,999,287 | 74,672 |
| 1925 | 3,678,234 | 1,248,096 |

*Deficit.

Out of the above balance for the year 1925, dividends have been paid on the preference shares of the company at the following rates, namely: In March and June at the rate of 1 per cent., and in September and December at the rate of 1½ per cent., making a total dividend of 5 per cent. for the year 1925.

The operations of the Union Electrica de Cataluna resulted in a net profit of 4,130,560 pesetas in 1925. This amount was applied as to 2,318,400 pesetas in payment of bond interest and expenses of that company, and the balance of 1,812,160 pesetas has been transferred to the amortization account.

### Reorganized Capital

As a result of the reorganization resolved on in the year 1924, and subsequent amortizations, the bond and share capitals of the company at present outstanding in the hands of the public are as follows:

| | | | |
|---|---|---|---|
| Bond Capital— | | | |
| 7 per cent. prior lien "A" bonds (sterling and peseta issues) | £ 997,765 | 1 | 8 |
| Consolidated 6½ per cent. prior lien bonds | 2,800,000 | 0 | 0 |
| 5½ per cent. first mortgage bonds (a) | 2,147,500 | 0 | 0 |
| 7 per cent. 30-year bonds (b), pesetas | 38,202,000 | | |
| Share Capital— | | | |
| 232,489 preference shares of $100 each | $23,248,900 | | |
| 274,500 ordinary shares of $50 each | 13,725,000 | | |

The 7 per cent. prior lien "A" bonds of the company have been called for redemption on the 1st June, 1926. When these bonds are redeemed the consolidated 6½ per cent. prior lien bonds become automatically a first specific charge on the whole of the mortgage assets of the company and a first floating charge on its general undertaking and assets. The operation of the accumulative sinking fund for the amortization of these bonds commenced during the year 1925.

The amount of the outstanding bonds of the operating companies in Spain has, during the year, been reduced by the net amount of 1,832,000 pesetas as a result of the various amortizations and issues referred to above.

### The Improved Showing

President F. F. Lawton, who succeeds E. R. Peacock, comments:

"The gross earnings from the electric light and power business compared with the previous year increased 10.53 per cent. The net earnings show a higher percentage of increase, viz., 13.86 per cent., the operating ratio having decreased 2 per cent., from 33.45 to 31.45.

"Due to the shortage of water during the winter of 1924-25, and to the exceptionally cold, dry weather during the month of March, it was necessary to operate the steam plant from March 17 to April 17. Since the later date there has been sufficient water, the supply during the later part of the winter, 1925-26, being particularly abundant. A third unit of 20,000 h.p. was installed at Camarassa during the year and put into operation on November 30, last.

"The railway business has had an unfortunate setback during the year due to a bad accident which occurred to an excursion train on the first day of the Easter holidays, depriving the company of the bulk of the receipts of the heaviest holiday period of the year. This, together with the lower spending power of the working classes on the one hand, has caused considerable decrease in the receipts, while on the other, the operating expenses were increased by the accident referred to."

Following are comparative figures for the chief items in the balance sheet:

**The Balance Sheet**

| Liabilities | 1925 | 1924 |
|---|---|---|
| Share capital | $36,989,035 | $36,998,014 |
| Funded Debt | 78,274,159 | 78,951,415 |
| Floating Liab. | 5,941,143 | 6,365,884 |
| Sinking fund | 572,702 | 331,922 |
| Revenue accts. | 207,537 | 74,671 |
| | $121,957,578 | $122,721,908 |
| **Assets** | | |
| Capital acct. | $112,553,558 | $113,721,910 |
| Sinking Fund | 124,864 | ........ |
| Floating assets | 9,279,156 | 8,999,998 |
| | $121,957,578 | $122,721,908 |

## East Kootenay Power May Increase Plant

From Our Own Correspondent.

MONTREAL.—The annual report of the East Kootenay Power Company is to make its appearance practically immediately. The fiscal year ended on March 31. It is understood that the earnings last year show some improvement as compared with the preceding twelve months.

The installed capacity of the company's plant is 32,000 h.p., but the demand for power in the district is steadily increasing, with the result that at the annual meeting of shareholders, which is to be held this month, it is possible that some method of meeting the increased demand for power may be laid before the shareholders. The company is a subsidiary of the Power Corporation.

## Bell Rate Hearing Is Again Adjourned

The hearing of the application of the Bell Telephone Co. for increased rates in Ontario and Quebec before the Board of Railway Commissioners has again been adjourned, this time until July 20th. Judge McKenna, chairman, intimates that there will be no further adjournment. The company was ready to go ahead this week but the municipalities asked further time to give their experts an opportunity to consider the data presented by the company. The company points out that it is losing money as the result of the delay.

The total telephones in operation in all Canada as of December 31st, 1925, was 1,148,770, an increase of 64,806. Canada's development has now reached 13.1 telephones per hundred of population. Of the provinces, British Columbia still leads with 18.1 telephones per hundred inhabitants. Ontario is next with 17.4; then follow Saskatchewan with 13.2, Alberta 11.9, Manitoba 11.3, Quebec 9.7, Nova Scotia 7.6, New Brunswick 7.5, Prince Edward Island 4.8 and Yukon 4.8. Quebec had the greatest gain in 1925, viz., 9.6 per cent.; Ontario next with 7.4 per cent. Ten years ago (December 31, 1915) Canada had 553,032, as compared with the present figure of over 1,148,770—over 100 per cent. increase within the decade.

### CALGARY POWER EARNS MORE

MONTREAL.—Shortly, the annual report of the Calgary Power Company will make its appearance. Earnings during the past year are understood to have shown an increase over 1924.

### 'PEG ELECTRIC OPERATES TRAMS

MONTREAL.—Indications point to the fact that the tramways franchise of the Winnipeg Electric Railways will be extended for another five years. Any move on the part of the city to acquire the tramways would have to be undertaken prior to August of this year, as the contract between the city and the company calls for a six-months' notice of the termination of the agreement. Provided no such action is taken, the franchise automatically allows the company to carry on for another five years. In the meantime, it is understood that the earnings from the tramways branch of the company's operations are showing increases as compared with preceding years.

## Public Utility Earnings

**International Power Company**

| Three months to March 31— | 1926 | 1925 |
|---|---|---|
| Gross earnings | $528,034 | $450,938 |
| Operating expensese | 260,790 | 230,658 |
| Net earnings | $267,244 | $220,280 |

**Jamaica Public Service Company**

| April— | 1926 | 1925 |
|---|---|---|
| Gross Earn. | $52,700 | $50,762 |
| Net Earn. | 18,794 | 18,516 |
| After charges | 12,703 | 11,623 |

| 12 Months Ending April 30— | 1926 | 1925 |
|---|---|---|
| Gross Earnings | $634,794 | $591,505 |
| Net Earnings | 238,698 | 197,654 |
| Surp. after charges | 161,835 | 117,810 |

# BRAZILIAN HEAD SAYS FUTURE IS WELL ASSURED

### Assets Built out of Earnings Now Making Good Profits

Market interest in Brazilian Traction has been maintained and, reflecting the generally favorable news regarding the company's present operations and prospects for the future, the price has risen close to par. The recent advance followed the establishment of a new high mark for the current movement in milreis exchange at 15.30 on Saturday last. That the company is gradually solidifying its position, with prospects for attaining that full measure of success which the company's founders planned for it, is the assurance given to shareholders by Sir Alexander Mackenzie, the president, who is visiting the company's Toronto office.

According to Sir Alexander practically all factors are in the company's favor at the moment and promise to continue so. Exchange is at the highest point in several years and substantially above the average of the past two years. The internal economic position of Brazil is regarded as sound and improving.

The important hydraulic development at Serra, near Sao Paulo, is progressing according to schedule and the first unit should be completed by the end of August, according to Sir Alexander. This will insure the company against possible recurrence of power shortage experienced during the past few years. The prospects are, therefore, that the results of the current year will not only be substantially ahead of last year but establish a record in the company's history.

### Higher Rates Now

In regard to the concession recently granted by the municipality of Sao Paulo, allowing the company to charge higher rates for telephone services, Sir Alexander points out that a similar concession was granted in the City of Rio Janeiro two or three years ago but the effect in that instance was marred by the fact that legal proceedings were immediately instituted by the city authorities against the company and no decision has as yet been reached. In the meantime the company collects the higher rate. In the case of a number of other municipalities rates are still much too low from the standpoint of costs but the company expects that the action of Sao Paulo will establish a precedent which will generally be followed. The company has made application for higher tramway fares in Sao Paulo but no decision has as yet been reached. No action has been taken in this direction as yet in Rio Janeiro but satisfactory adjustment in both cities is hoped for. The present tramway rates provide revenue more than enough to cover cost of service but they are not sufficiently high to permit the company to pay a fair return on its capital.

After many years of plowing back in the surplus profits as capital investment, the company is now coming to the end of its development and is entering upon a period when it should reap the benefits of its far-sighted program. The construction of additional units of the Serra power project will entail relatively minor expenditures as compared with the initial cost.

Politically the situation in Brazil has been stabilized, Sir Alexander says, by the election of President Dr. Washington Luiz. He is a man well framed for the important post which he will shortly occupy and has the confidence of the citizens.

As to the dividend rate Sir Alexander states that no increase is contemplated at the present time and further action in this regard will be entirely guided by conditions in the future.

Sharing in the popularity of Brazilian common the company's preferred stock has recently been in demand on both the London and Toronto stock exchanges. Late in 1925 the price worked up to around par and since then the price has continued to register strength with recent transactions in the vicinity of 101. This preferred stock now yielding slightly under 6 per cent. is the cumulative issue which is convertible at anytime into the common or ordinary shares on the basis of 1.2 shares of preference for one share of common.

### RAILWAY EARNINGS

**Canadian Pacific Railway**

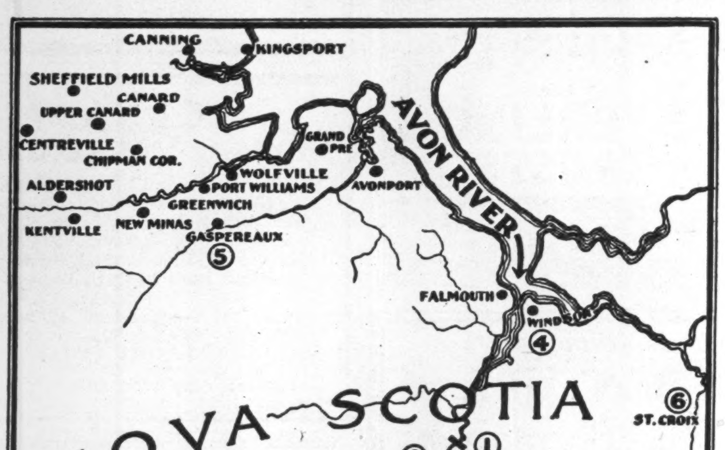
| Week end.: | 1926 | 1925 | Change |
|---|---|---|---|
| May 31 | $4,775,000 | $3,626,000 | +$1,149,000 |

**Canadian National Railways**

| Week end.: | 1926 | 1925 | Change |
|---|---|---|---|
| May 31 | $7,678,275 | $5,615,197 | +$2,063,078 |

# Development Planned by the Avon River Power Company

The map appearing above will serve to make clear the important developments that have been and will be carried out by the Avon River Power Company throughout the eastern section of the Annapolis Valley. It will be recalled that notices were sent out a few days ago of the redemption of $250,000 of first mortgage bonds now outstanding, for the purpose of preparing the way for new financing that will enable the company to increase considerably its supply of available power and to meet the cost of the acquisition of two other power plants.



The map shows the location of the present plant of the company on the Avon River (No. 1) where 2,500 horsepower is already installed. No. 2 marks the second power site where an additional 3,000 horsepower is now being installed. No. 3 represents a chain of nine lakes that form a storage reservoir for the power company and guarantee it an adequate supply of water for an uninterrupted output. No. 4, down the Avon river, is Windsor, whose local power and lighting plant has been taken over by the Avon River Power Company. To the west, No. 5 indicates the position of the Gaspereaux River Light, Heat and Power Company, which the Avon River Power Company proposes to take over on the first of July next as part of its expansion program. It is for these purposes mainly that the further supply of capital will be required.

Other centres marked on the map include Wolfville, Kentville, Canning, which are served by the Avon River Power Co. through municipal plants, and such places as Falmouth, Avonport, Port William and New Minas, where power is delivered direct by the company to customers. Extensions have also been made along the St. Croix river. Altogether the company has placed itself in a position to supply power requirements over an area of about 200 square miles.

The map also shows the location of a still undeveloped power site on the St. Croix river, (No. 6), owned by the president of the Avon River Power Company, W. H. Chase, of Wolfville. This site is capable of producing about 8,000 horsepower and its future, in the hands of Mr. Chase and his associates, may have an important bearing on the industrial future of the City of Halifax and the whole vicinity.

Crop Reports

As in previous years, the Bank of Montreal will publish during the season frequent reports on the progress of the crops.

These crop reports are telegraphed to various centres, from which they will be mailed free to all who require them.

Application to be put on the mailing list may be made in person or in writing at any Branch of the Bank.

Total Assets in Excess of $750,000,000

Head Office: Montreal

Bank of Montreal
Established 1817

Ore receipts at the Trail Smelter of the Consolidated Mining and Smelting Co. for the period May 22 to May 31, inclusive, amounted to 14,588 tons, and for the first five months of the year, 225,427 tons.

For Those Who Cannot Afford To Lose

"Any One Security May Fail But a Diversified Holding Insures Against Loss"

THE NATIONAL DEBENTURE CORPORATION LIMITED INVESTMENT TRUST 5½% BONDS ARE A FULLY SECURED SOUND AND PROFITABLE INVESTMENT

Price 100 and Interest to yield 5½%

Any business or industry, any section of the country, may suddenly be faced with conditions that make its securities valueless or largely depreciated, so that when investments are all placed in one security, or in one locality, there is a possibility of loss.

But one thing is certain, that no wide variety of businesses, or widely separated sections of the country, are equally influenced by the same conditions, and the wise investor does not put all his eggs in one basket, but spreads them about so that a setback in one industry or in one locality may not become a calamity to him.

While this is the fairly general practice of the large investor, the man with a comparatively small sum to invest has not been able to follow the same policy, because his holdings, by force of circumstances, have been confined to the securities of one or two companies or the bonds of one or two municipalities, while he has been largely shut out from sound mortgage investment. His eggs are all in one basket, not because he approves of the system, but because his capital limits diversification.

Security for the Conservative Investor

The National Debenture Corporation, Limited, has been inaugurated to give the small investor the same security and diversification of interest that is possible to the large investor. A dollar invested in The National Debenture Corporation, Limited, Collateral Trust Gold Bonds is distributed over a wide range of securities held in trust for the Bond Holder.

There Can be No Sounder Investment

Behind these bonds is 105% Par Value of Trustee Securities deposited with the Trustee as security for the Bond Holders, selected by men of skilful judgment, to insure a diversification that no individual mishap can appreciably affect.

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GOVERNMENT, MUNICIPAL and CORPORATION DEBENTURES
For 43 Years no Bond Recommended and Sold by Our Organization has failed to pay Principal and Interest

# PACIFIC BURT IS BUILDING ASSETS OUT OF PROFITS

## Year's Good Results Not Fully Indicated in Report

## $10.15 ON THE COMMON

### Earnings Only Shown After Allowances for Heavy Expenditures Which Should Increase Future Profits

With shipments the largest in the company's experience, the Pacific Burt Co., Ltd., reports for the year ending March 31st profits of $198,379 compared with $197,161 for the previous year. After deductions for fixed charges and preferred dividends, this is the equivalent of $10.15 per share on the outstanding common stock compared with $10.57 for the year ending March, 1925, and $15.95 for the preceding year.

The fact that earnings are shown as only slightly higher than for the previous year directs special attention to the statement made by the president, S. J. Moore, that prior to bringing down of profits, there were allowances made out of income for heavy special expenditures made in connection with a forward-looking program which is expected to add to future earnings. Thus substantially higher earnings, referred to by the president, do not make themselves evident in the statement of profit and loss. Also attention is directed to the fact that liberal allowance was made for depreciation of plants and amortization of capital assets. The company has further strengthened its position on the Pacific coast by a plant at Seattle to serve a large and growing territory. The general business situation on the Pacific is described as continuing satisfactory with prospects that this condition will continue throughout the ensuing year.

The report itself and the explanatory statements of President Moore indicate that the company is following a conservative policy and is taking advantage of prosperous conditions to strengthen its position out of earnings rather than increase current dividends. The result of such a policy will undoubtedly be to create even larger profits for the shareholders in the long run. The retirement of $26,500 of the outstanding bonds during the year is another step leading to the same condition in the future.

The following summary shows the various features of the profit and loss account for the two years:

Profit and Loss

| Year Ending Mar. 31 | 1926 | 1925 |
|---|---|---|
| Profits | $198,379 | $197,161 |
| *Depreciation* | 72,196 | 67,707 |
| Writ. off patents | 12,552 | 12,552 |
| Contrib. to employes | 2,000 | 2,533 |
| | $ 86,748 | $ 82,792 |
| Net profits | $111,631 | $114,369 |

# WILL PREFERRED OF DOM. IRON CO. LOSE ITS EQUITY?

(Continued from page 7)

large part of the territory to which your mining companies have access. Some benefit was derived from the increase in the duty on slack coal, but this was offset to a certain extent by a deduction of three cents per ton on run of mine coal.

"In addition to what may be called external influences, the year 1925 was marked by a complete cessation of operations due to strikes at every colliery controlled by the corporation for over five months, the greater part of which was in the season when ordinarily the greatest activity prevails. The companies not only lost the output of their mines during that long period, but were put to very great expense for the maintenance of their properties.

"The cumulative effect of these conditions is reflected in the very serious loss on the year's operations which is disclosed in the profit and loss account.

"Such losses would be serious if they had followed a period of prosperity, or if conditions were such that a quick and complete recovery might be expected, but unfortunately existing conditions do not warrant such an expectation.

"During the past five years the operations of the companies, the shares of which constitute the whole of the property of the British Empire Steel Corporation and are its only source of revenue, have been conducted under most unfavorable conditions.

"The most intense pressure is being felt by the companies engaged in the production of iron and steel, and of these the Dominion Iron and Steel Company, having the largest obligations and requiring the largest amount of working capital, meets the greatest difficulties in connection with its financial affairs.

"The difficulties of the steel companies in Nova Scotia flow from several sources:

1. The increase in the cost of coal used to produce iron and steel has far exceeded the increase in the price obtainable for these materials either in Canada or elsewhere.
2. The low protective effect of existing duties on the primary forms of iron and steel is so greatly reduced that it gives the Canadian manufacturer little advantage over foreign producers and more especially those in countries operating with depreciated currencies.
3. The privilege enjoyed by companies whose works lie in close proximity to the coal fields of the United States, from which they can obtain their supplies of fuel under conditions which permit them to obtain a rebate of practically the whole of the duty.
4. The ineffective nature of the Dumping Duty, which permits a reduction of five per cent. from the price in the country of production without penalty.
5. The division of the available market in Canada with foreign producers due to these conditions, and the consequent inability of Canadian producers to conduct their operations on a large scale and to reduce their costs through maximum continuous production.

"Facing these difficulties, the Dominion Iron and Steel Company cannot earn enough to provide for the depreciation of its properties and pay its present interest and sinking fund charges.

### The Reorganization

"No effort has been spared by the directors and officers of the company to maintain the highest possible output or to decrease the expense of operation. No better evidence of the effect of their efforts in this direction could be given than the fact that at the present time the average cost of all products of the company, excluding the item of fuel, is thirty-six per cent. less than the corresponding figure in 1920, just before the company became a part of the British Empire Steel Corporation.

"Your directors are of the opinion that a reorganization of the Dominion Iron and Steel Company has now become necessary, and that in the company's present position the scope and form of such reorganization must be guided by its shareholders.

"No assurance can be given that the interest and sinking fund payments will be made when they become due on July 1, and it may become necessary to notify the trustee for the bondholders to this effect.

"Your directors have decided that in existing conditions it is desirable that a wider scheme of reorganization should be developed which might include all the constituent and subsidiary companies, and to this end a special study of the conditions presently affecting those companies is now in progress in which your directors have secured the assistance of representatives of its senior securities and its bankers. It is expected that some definite plan may be formulated within the next sixty days for submission to all who may be concerned in the corporation's affairs. Special meetings will be called for this purpose."

### TORONTO BASEBALL SHARES

Shares of the Toronto Baseball and Athletic Co., which were sold at $100 a few weeks ago are now commanding higher prices. Some sales have been reported in unlisted dealings in Toronto at as high as $120, and they are now selling at around $110. The latest available quotations are around $102 to $110.

The total capitalization of Toronto Baseball Co., is $750,000 divided into shares of $100 par. The amount required for the construction of the Maple Leaf Stadium was $550,000, exclusive of the land, which is held under a long term lease, and which will probably be purchased outright out of the company's earnings, which are running at a very satisfactory rate since the transfer of the baseball park to the mainland.

## Progress in Construction at the Aluminum Town

MONTREAL.—Some very interesting information was furnished the head office officials of the Banque Canadienne Nationale at the annual gathering of branch managers. Not the least important was a description by Henri des Rivieres, superintendent for the Quebec district, who said that great results would follow the industrial development in the Lake St. John district. Dealing with the town of Arvida, Mr. des Rivieres stated that in August the Aluminum Company of Canada, Limited, would start production at their new plant. Last year the company had bought some 4,000 acres of land and on this a new town was being constructed. Already it had a population of some 2,000 people and 260 dwellings were being constructed. Six sections of the aluminum plant were already erected and partly equipped, and besides the offices and stores, camping facilities had been provided, including kitchens and dormitories. Arvida already possessed a bank of its own, which happened to be an agency of Banque Canadienne Nationale.

### BROKER ASSIGNS

MONTREAL. — The local brokerage house of Walter Kavanagh and Company has made an assignment. The operations of the company were largely confined to mining and New York curb stocks.

### NATIONAL CITY ISSUES BOOKLET

The National City Company has prepared for distribution an attractively-gotten up and illustrated booklet which describes the services of the company to investors and sets forth the various steps taken before the company underwrites and sell issues to the public.

### ENGLISH ELECTRIC DIVIDEND

The board of directors of the English Electric Co., of Canada, met in St. Catharines and declared a dividend of 3½ per cent. on the preferred stock, payable June 30th to shareholders of record, June 15. It is reported that the company is enjoying much improved business.

# Government Pays Ottawa Landlords $681,000 Rent

(Continued from page 1)

comment, except by inference, on the fact that the government pays such high rentals for buildings. It makes the point, however, that the rentals mean when capitalized, a $13,500,000 investment. There would certainly be pressure from Ottawa if there was any move to abandon office buildings. There will also be pressure if any move is made to eliminate the handling of supplies by any other than the present loose method. The elimination of employees, if co-ordination of staffs was undertaken would also cause a stir.

The following table shows the buildings which the government now rents and the rentals paid yearly:

| Building | Rental per annum | Occupied by |
|---|---|---|
| Marine Signal | $....... | National Defence |
| Castle | 12,580.00 | National Defence |
| Peerless | 3,400.00 | National Defence |
| Vimy | 13,000.00 | Interior |
| Earlscourt | 3,500.00 | Interior, Trade and Commerce |
| Jarman | 1,560.00 | Trade and Commerce |
| Lamb | 2,660.00 | Trade and Commerce, Health |
| Kent and Sparks St. | 6,116.76 | National Defence |
| 204 Wellington St. | 600.00 | Trade and Commerce |
| Old Free Press | 7,600.00 | Mines |
| Motor | 15,393.00 | Interior |
| Journal | 9,328.54 | Interior |
| Stephen | 7,500.00 | Interior |
| Jackson | 32,145.75 | Immigration |
| Lowe-Martin | 6,000.00 | National Defence |
| Bryson | 9,240.00 | Interior |
| Trafalgar | 16,880.00 | Interior, Purchasing Commission |
| Carling | 15,000.00 | Interior—vacant |
| Slater and Sherwood | 11,000.00 | Justice |
| Martin | 5,500.00 | Immigration |
| 172 Wellington | 1,140.00 | Justice |
| Norlite | 30,000.00 | Interior |
| Booth | 17,319.75 | Indian Affairs |
| Regal | 16,500.00 | Labor |
| MacKenzie | 16,000.00 | Post Office |
| Queen and Metcalf St. | 1,000.00 | Agriculture |
| Royal Bank | 15,050.25 | External Affairs, Interior, Justice, Railways and Canals, Trade and Commerce, Vacant |
| Birks | 8,097.39 | Agriculture, Railways and Canals |
| Nagle | 2,560.00 | Justice |
| Union Bank | 67,110.70 | Immigration, Interior, Post Office |
| Robinson | 15,200.00 | Mines, Vacant |
| 64-68 Queen St. | 6,801.96 | Agriculture |
| Elgin | 23,000.00 | Canadian Patriotic Fund, Customs, Health, National Defence, Soldiers' Civil Reestablishment |
| Elgin Annex | 6,993.92 | Customs, Immigration |
| Elgin Cottage | 1,835.70 | National Defence |
| Reclamation | 5,858.40 | Interior |
| 47 Slater St. | 2,750.00 | Agriculture |
| O. A. A. C. | 8,227.33 | National Defence |
| Woods | 37,412.11 | National Defence |
| Canadian | 53,313.39 | National Defence |
| Bate | 16,000.00 | Finance |
| Central Station | 21,356.00 | Railway Commission |
| Transportation | 35,600.00 | Auditor General, Agriculture, Interior, Justice, Vacant |
| Plaza | 18,023.53 | Finance, Interior, Soldier's Civil Reestablishment |
| 113 Rideau St. | 7,225.00 | Vacant |
| Larocque | 12,832.00 | Justice |
| New Labelle | 24,200.00 | Interior |
| Old Labelle | 11,500.00 | Interior, Marine and Fisheries, National Defence |
| Labelle Garage | 2,448.00 | Labor |
| 105 Murray St. | 2,390.00 | Labor |
| Goulden | 1,680.00 | Archives |
| 140 Argyle Ave. | ...... | Justice Department |
| Exhibition Grounds | ...... | Justice Department |
| Total | $678,430.00 | |

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THE ROLLAND PAPER CO. LIMITED
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MONTREAL
Mills at Mont Rolland and St. Jerome, P.Q.

## Dry Ice Company Offers Preferred Share Issue

**From Our Own Correspondent.**

MONTREAL.—The Montreal stock exchange house of Ryan, Grier and Hastings will offer next week $550,000, 7 per cent., cumulative preference shares of the Montreal Dry Ice and Products, Limited. Each share of preferred will be sold at par and will carry a bonus of two shares of common stock of no par value.

The capitalization, upon the completion of the present financing, will be as follows:

7 per cent. cumulative preference shares, authorized $1,000,000; to be issued $550,000.
Common shares (no par value), authorized 40,000 shares; to be issued, 22,000 shares.

The company will proceed at once with the erection of a plant in Montreal with a daily capacity of 25 tons of dry ice. Dry ice is simply frozen gas—the gas used is carbon dioxide. Such ice is one of the most economical forms of refrigeration available to-day. It competes successfully with either water ice or mechanical refrigeration. The plant is planned to be in operation by about July 15 next, and, in addition to its production of dry ice, it will produce 26 tons of hydrated lime per day, and some oxygen and liquid carbon dioxide.

The estimated cost of the plant, including organization, site, railway sidings, buildings, manufacturing and delivery equipment, is $371,000; this would leave an estimated working capital, upon the completion of the plant and the financing, of some $179,000.

### GOTFREDSON TRUCK

Gotfredson Corporation, Limited, which is the largest Canadian builder of motor trucks, buses, taxi cabs and fire apparatus, reports sales of $800,000 for the first four months of 1926, an increase of 40 per cent. over the corresponding period, 1925.

An official of the company states business is good and looks for a continued increase in volume.

BONDS
FOR INVESTMENT
HOUSSER, WOOD & CO.
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*Share in the Profits of*
Muirhead's Cafeterias

Nearly everybody in Toronto and many visitors to Toronto know Muirhead's Cafeterias—know them for the excellence of their food—tastiness of cooking—rapidity of service—and reasonable prices. This reputation has made Muirhead's one of the most successful cafeteria businesses in Canada.

The price of the Preferred Shares is $10 each. With every $100 invested in the Preferred Shares a bonus of one share of no par value Common Stock will be given. It is the Common Stock that holds the prospects for the good speculative profit. Net earnings of the Company (after allowance for depreciation) have been ample to meet Preferred dividends twice over, leaving a substantial earning power for the Common Shares. When the new restaurant is opened on Adelaide Street West, Toronto, the net earnings should exceed $90,000 per year, at which rate dividends on Common Shares may conservatively be paid.

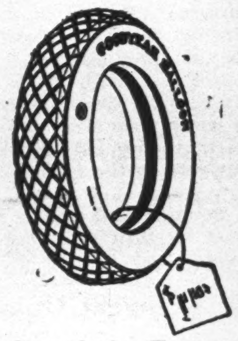
For these reasons we are pleased to offer the 7½% Cumulative Sinking Fund Preference Shares of Muirhead's Cafeterias, Limited, as a reliable investment with the prospect of a good speculative profit.

*Call, telephone or write for a fully descriptive circular giving the history of Muirhead's and showing its progress and earnings to date.*

Bankers Bond Company
Limited
60 King St. West, Toronto

Gairdner & Company
Limited
312 Bay St., Toronto
Spectator Bldg., Hamilton

Worthington, Savage & Co.
330 Bay St., Toronto



One of the Famous "Goodyear" Products

*We offer*
$300,000
Goodyear Cotton Co.
of Canada, Limited
6% First (Closed) Mortgage Bonds

Dated April 1st, 1926. Due April 1st, 1941.

Principal and semi-annual interest (April 1st and October 1st) payable in gold coin of Dominion of Canada of present standard of weight and fineness, at the Royal Bank of Canada, Montreal or Toronto Canada, or at the holder's option in United States Gold Coin of the present standard of weight and fineness at Agency of the Royal Bank of Canada New York City, Coupon Bonds in denominations of $1,000, $500 and $100 callable for sinking fund purposes at 100 and accrued interest on any interest date on thirty days' notice or may be called for redemption as a whole at 100 and accrued interest on any interest date upon three months' notice.

Trustee: Montreal Trust Company

CAPITALIZATION

| | Authorized | Issued |
|---|---|---|
| First (Closed) Mortgage 6% Bonds (this issue) | $300,000 | $300,000 |
| Preferred Stock ($100 par value) | 475,000 | 475,000 |
| Common Stock (of no par value) | 5,250 shares | 5,250 shares |

All the Common Stock is owned by The Goodyear Tire & Rubber Company of Canada, Limited.

**BUSINESS:** Goodyear Cotton Co. of Canada, Limited, which is controlled through Stock Ownership by The Goodyear Tire & Rubber Company of Canada, Limited, was organized in 1926 for the purpose of acquiring the plant and equipment of the Canadian Manhasset Cotton Company, Limited, located at St. Hyacinthe, Que. The Company has the benefit of economical and dependable hydro-electric power and excellent transportation facilities. The properties of the Company consist of eight acres of land upon which a modern mill of brick and cement construction was erected in 1920. A complete modern spinning and weaving plant of 15,500 spindles is now in operation, and it is the intention of the Company to immediately install additional spindles, making a total of about 20,000 spindles.

**EARNINGS:** A contract has been entered into with The Goodyear Tire & Rubber Company of Canada, Limited, whereby the latter covenants (so long as any First Mortgage Bonds or Cumulative Preferred Stock of Goodyear Cotton Co. of Canada, Limited, shall be outstanding) it will purchase a minimum of 300,000 lbs. of fabric in each calendar year. This contract is based on a cost plus basis, and in effect the Tire Company assures payment of a sum sufficient to meet the following:

1. Gross Cost of Production.
2. Bond Interest and Sinking Fund.
3. Cumulative Preferred Stock Dividend.
4. All other expenses and liabilities of any kind whatsoever.

Under this contract the Goodyear Cotton Company net earnings for the month of April, 1926, were $12,177.91, or at the annual rate of $146,134.92.

**ASSETS:** The bonds are a direct First (Closed) Mortgage on plant and equipment, whose depreciated value is conservatively placed at $975,000, which is equal to $3,250.00 for each $1,000.00 bond. The Goodyear Cotton Company carries insurance on its plant and equipment amounting to $1,100,000, and on its raw material insurance amounting to $300,000.

**CONTROL AND MANAGEMENT:** Is in the hands of The Goodyear Tire & Rubber Company of Canada, Limited, who own all the common stock of the Company, with the exception of the five qualifying shares held by the Directorate.

All legal details of this issue are subject to the approval of Messrs Brown, Montgomery & McMichael of Montreal. These Bonds are offered when, as and if issued and subject to the approval of Counsel.

PRICE: 99 and Accrued Interest to yield about 6.10%.

*Orders may be telephoned or telegraphed at our expense.*

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The statements in this announcement are not guaranteed, but are based on information which we believe reliable, and on which we acted in purchasing these securities.

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### The Financial Post's Platform for Canada

*Promote national unity.*
*Reduce taxation; curtail public waste.*
*Conserve Canadian resources for Canadians.*
*Develop production and manufacturing to the highest point in Canada.*
*Settle our vacant lands.*
*Encourage individual initiative.*
*Induce and protect investment of capital in Canada.*

TORONTO, JUNE 11, 1926

### TREE FOR A TREE

A CANADIAN manufacturer, who visited several papermaking plants in Mexico this spring, tells The Financial Post that a number of them are owned by German investors, and that they have laid down a very definite policy in Mexico, as they have in Germany, of planting a tree for every tree cut.

Germany has been in papermaking for generations, and her people have adopted this policy from long experience. The papermakers and users in Canada should get together and insist upon a similar policy in this country. Some progress has been made by some of the paper companies, but it should be made a compulsory policy.

### UP TO THE SENATE

ALTHOUGH probably only a coincidence, it was nevertheless significant that the announcement of the passing of another of the old mortgage companies which has been serving farmers and home builders for many years—the Hamilton Provident—should be made on the same day that the House of Commons gave the third reading to the new farm credits bill. In connection with the proposal to sell the very sound assets of the Hamilton company to the Huron and Erie Mortgage Corporation, the undermining effect of governmental interference in the field of mortgage loaning was particularly referred to by the directors:

> "For a number of years, mortgage, trust and insurance companies having money to lend on first mortgages have been much concerned about unjust legislation, which has had a tendency to greatly increase taxation and operating charges. Competition also is making it more difficult for many of the smaller companies with relatively higher overhead costs to earn a margin of profit that might otherwise be expected. Because of these conditions, the directors of the Hamilton Provident feel they are serving the best interests of their shareholders by recommending the sale of their assets to the Huron and Erie Mortgage Corporation."

The effect on the loaning funds for all Canada of legislation which will undermine the security upon which mortgage capital is advanced, while helping a few at public expense, is the important point for the Senate to consider in deciding its attitude upon this measure.

### OUR HABITABLE AREA

IN HIS recent address before the Industrial Accident Prevention Association of Canada, Sir Charles Gordon quite properly disposed of some of those illusions which patriotic enthusiasts are prone to create about the population of this country becoming as great as that of the United States. Canada's immigration policy should be aimed at a healthy increase in population only, with newcomers properly assimilated and our natural increases retained.

But Sir Charles undoubtedly painted too gloomy a picture of Canada's possibilities for development when he stated that after all our habitable area is not more than 15 per cent. of the United States. Official figures available from the Department of Statistics at Ottawa give Canada's area capable of agricultural development, under the present methods of agriculture, as 358,000,000 acres, compared with an area of 1,000,000,000 acres in the United States.

Canada may not have the habitable area of the United States, but 35 per cent. is a much greater proportion than 15 per cent., and the former may easily be increased as methods of agriculture change and improve, and our map is rolled further and further north. The recognized habitable areas of to-day are much greater than those of fifty years ago. And even though a great portion of Canada's area may not be suited to agricultural pursuits, it should not be forgotten that much of what is not regarded as habitable holds immense wealth in natural resources of mine and forest.

### SAVING THE FALLS

APPOINTMENT of an international commission to study the erosion of Niagara Falls and to suggest ways and means of preventing the scenic beauty of the Falls from being impaired by the natural action of the flow of water, is a step that is to be commended. Canada's choice for the board, Dr. Charles Camsell, is good.

There have been sundry reports on the erosion at the falls. Engineers of undisputed standing have stated that the wearing away of the falls is such as to raise grave concern as to the future beauty and even as to the future utility of the falls. Unfortunately these reports have not always been of the type upon which governments could act. Some of them have been definitely inspired by power companies seeking more water for their plants. While a logical result of increased diversion of water from the falls, if that were found to be in the interests of preservation, would be to increase the amount available for power development, independent engineering reports will help to "sell" the idea to the public better than reports based entirely upon self-interest.

The recent debate in the House of Commons was a little inauspicious because all the cards were not on the table. The public ownership members were suspicious of Hon. Edmund Bristol, M.P., when he asked that more water be diverted for power purposes. Mr. Bristol did not show his hand. Open conclusions openly arrived at, protecting the interests of each country, will be best in the end, let the benefit rest where it may.

### HAIL THE MINES ENGINEER

ONE of the reasons why Canada has made material advances in metal mining is that its engineers and chemists have kept pace with their problems. It was chiefly the solution of the problem of getting both gold and copper profitably out of the ores of Northwestern Quebec that opened up Rouyn and its adjacent townships. It was the solution of serious metallurgical problems that turned the Sullivan mine in British Columbia from a hill into one of the world's most valuable mines, worth around $700,000,000. It was the discovery of the zinc in the copper ores of Flin Flon mine, that gave commercial value to its $200,000,000 of ore.

Most recent of the developments of this nature to add to Canada's wealth-springs is the establishment by research engineers of Consolidated Mining and Smelting Company of Canada, of the fact that the tin in the ores from Sullivan mines can be saved. The concentrates containing the tin are now being stored awaiting perfection of a reduction process, but it is a long step forward to produce the mineral, adding tin to Canada's production for the first time in history. The development, incidentally, adds millions to the value of adjacent mines.

Again the mining engineer has triumphed.

### THOSE LONG SPEECHES

A NUMBER of newspapers throughout Canada are protesting against the length and the number of the speeches in the House of Commons at Ottawa. There is no doubt that there are too many speeches and too many long speeches, but the proposal to limit the length of speeches to forty minutes is hardly a logical solution. Forty minutes of the usual type of stump oratory that some of the members carry from the concession lines into the back benches, is too much. Forty minutes of the type of informative debate that is the regular contribution of many of the saner men in each of the various parties merely whets the appetite for more.

Isn't it, after all, a matter where the common sense of the leaders on each side must rule? The party whips keep things running smoothly. In the interests of efficiency of government, of economy in printing and salaries, and for the aid of a word-laden public, the whips should put it up to each member as his turn comes to speak, that he should have something to say when he gets up, say it and sit down.

### PENALTY OF MEDIOCRITY

MUNICIPAL politics in Toronto have drawn forth as mediocre a class of municipal politicians as the worst enemies of democracy could wish on any group of citizens. The occasional good man, who interests himself in municipal politics in the Queen City, finds himself outnumbered by those who are ready to snap into line at the crack of the political whip, that seems to be held jointly in the hands of a local newspaper and a local lodge.

A commonsense business man finds it hard to understand the reasoning behind some of the whip cracking. Perhaps there is no such thing as reasoning behind any of it.

A few years ago the whip cracked and the city took over a group of suburban electric railway lines; took them over at a time when electric railways were approaching the ebbtide of their prosperity and took them over at a fancy price. Yearly deficits have been piling up on their operation. Various politicians are now trying to explain that the deficits are due to the method of operation and they want to change that. The change may help but the politicians probably will be surprised to see the deficits keep on mounting. The only point that seems certain is that the lesson will be lost. Sad experiences in municipal operation of utilities in Toronto have, in the past, seemed to spur the civic council on to further attempts to defy the maxim that you can not hitch politics to the same wagon tongue as business and have a good team.

### EDITORIAL NOTES

T. L. CHURCH, M.P., discussing the income tax in the House of Commons. "I am here pleading for $5,000 exemption for the under-dog."

* * *

PREMIER KING informed House of Commons that the question of the exportation of pulpwood is still under consideration by the government. Too many important policies only "under consideration."

* * *

NEW YORK JOURNAL of Commerce says that American "ideas and attitudes of exorbitant protectionism have had a marked effect upon the Canadian mind." But not upon the Canadian tariff.

* * *

UP TO JUNE 3, the number of new automobiles sold in the city of Sydney alone was 358, with an estimated total valuation of $524,900. These figures are considered to be proof that prosperity is returning to the Cape Breton coalfields.

* * *

THE FEDERATION of British Industries is afraid that Great Britain may show too much leniency towards France as regards payment of France's debt to Britain. They have addressed a letter to the Treasury pointing out that the collection of this debt is a matter of sound business; that British goods are already suffering in world markets against the goods manufactured in France and in reality subsidized by British taxpayers to the extent of the interest payments due by France but paid by Britain; and that France has raised its tariffs to shut out British goods.

## Current Opinion

### WHY NOT CASH IN ON IT ?

Galt Reporter:—The Canadian people are reading American literature very generally. Some of it is of very low order and positively harmful. American magazines and newspapers flood the country. These are read by Canadians because they want to read them and they have a perfect right to do so.

But there is no reason why an impecunious government in Canada should not get some revenue from the game. We are perpetually reminded that taxes in Canada cannot be lowered because the government needs the money. Why not try to help out the exchequer by putting a tax on these American magazines and newspapers? It would seem that here is an opportunity to reap some financial benefit from the Americanization of Canada, which is being brought about slowly but surely through the influence of American literature.

* * *

### EXPORT BUSINESS

Sydney Record: When it is pointed out by friends of the Federal Government, as a proof that Canada is making progress under Liberal rule, that the country's export trade has increased greatly in the past few years opponents of the Ministry make retort that the increase has been due to larger sales of Canadian raw materials and that under what they describe as the right kind of national policy these materials would be manufactured into finished products in the Dominion with greater benefit to the country and its working people. Sales of raw materials in foreign markets have grown larger, like the sales of all other Canadian commodities, but the force of the Opposition criticism as to export growth is broken by trade statistics.

* * *

### THE DOUBLE TAX

Sherbrooke Record: The double tax feature of the new income tax schedules has come in for severe criticism in the House of Commons. There is a distinct injustice in this feature of the tax proposals and ability to put it through parliament or defend it on the hustings before an audience of electors, not particularly affected, can have no bearing on the right or wrong of the matter.

There can be nothing more disturbing to business than this juggling with taxation, and extreme injustices are sometimes perpetrated in hastily conceived legislation.

The double tax feature of the proposed regulations seems to be such a case.

### Fifteen Years Ago

Extracts from Files of The Financial Post.

C. P. R. stock reaches new high at 239½.

Paint companies merged as Sherwin-Williams Company of Canada.

St. Lawrence Flour Mills commence operations.

Canadian Locomotive Company reorganized by Aemelius Jarvis.

Pacific Burt declares first dividend.

Canada Bread merger progresses.

# Versatility Is Bright Background to Success of Eversharp's Head

## R. L. Wright, Man of Many Parts, Has Found Life Not Only Inspiration to Business Achievement, But to High Attainment in Many Other Fields

By FLOYD S. CHALMERS

COSTS! There, in a word, you have a theme full of meaning for the modern business executive but entirely devoid of imaginative appeal. If I were to present R. L. Wright as the commanding authority on cost accounting in Canada, a man whose mastery of the subject has been acknowledged across the entire continent, you would form in your mind a picture of a disagreeably efficient person, engrossed in the study of well-balanced books, speculating only on figures.

Instead, I want to introduce Mr. Wright as a man of positive business achievement, with a background of interests so varied and so colorful as to establish him as one of the most versatile of Canadians.

Mr. Wright — Roderick Leslie Wright it reads on passports and similar documents—is vice-president and general manager of the Wahl Company of Canada. As such, he produces and puts in the pockets and purses of the Canadian multitude some 600,000 Eversharp pencils and a great many Wahl pens each year. He holds down a big job that he himself raises to greater heights year by year. He does it because he has schooled himself to human contacts, to the solution of business perplexities and to industrial managery by a life that has been as effective in making him broad as it has been successful in making him happy.

### English—Irish—Scotch in One

Mr. Wright is an Englishman by birth; an Englishman, sprung from Scotch ancestry, educated in Ireland and making good in Canada. He was born in an historic old house in Northamptonshire. He was given the customary schooling of the English boy and gained the honor of a scholarship to Cambridge. But the rigorous demands of ordinary economy made acceptance of this scholarship impossible. Scholarships do not always provide for the feeding of the body as well as of the mind. The boy set out to forget about it. He went to Trinity College, Dublin, where he knew it would be possible to work between terms and earn the money to pay for the educational armor he wished to buckle on. His aim was the ministry and he graduated in the theological course, only to decide, virtually on the eve of ordination, that the ministry was not the career for one of his temperament and ideas.

### On High Road of Commerce

It makes an interesting though usually a futile day-dream to theorize upon what might have happened to one's career, if one had, at some early cross-roads of life, chosen another turning than that which was actually taken. Wright turned decisively off the high road of his ambitions when he left Trinity, conceiving himself a knight of commerce. Striking out on a new road meant learning many new things. It was necessary for him to throw himself into an arduous grind of study, adding to his understanding of the more theoretical Greek, Latin, literature and the sciences, the practical subjects related to commercial development. At Liverpool, he took the degree of Bachelor of Commerce —which could only then be obtained at that college. But he did not apply himself at once to business. In the next three years he filled in an occupational hiatus by teaching in a "prep" school.

The change to a business career was not easy to make. Wright had become interested in a variety of political and cultural activities that had a strong attachment to his personality. These would necessarily have to be curtailed, when he plunged deeply into business.

These early accomplishments were not the whimsies and phantoms of a dilettante romancer. By their diversity and their success they arouse something akin to amazement. With their bright pigments, Mr. Wright painted a colorful background on the canvas of his business success.

While a student at Trinity College, Mr. Wright was invited to lecture at Cornell University, Ithaca, New York. Some wealthy benefactor had provided a trust fund to finance a series of lectures to be delivered at Cornell each year by an undergraduate of some British university. Mr. Wright was chosen one year and lectured for a term on the subject of "The Influence of English Common Law on the American Constitution."

As an undergraduate, he turned a certain literary facility to advantage, both in the production of a fanciful literary work and of more popular works, the first of which brought him recognition and the second, profit. His finest achievement was the writing of a pastoral play, which was granted the rare honor of being produced by the Elizabethan Stage Society in various parts of England.

### Selling Plegmund to the World

This play was called "The Plaint of Plegmund." Plegmund was Archbishop of England in the time of Alfred the Great. The astute young playwright chose Plegmund as his subject because nothing was known of Plegmund except that he lived and that he died. This almost total lack of historical shackles enabled Wright to run freely in fancy and he produced an epic play, truly literary, arrantly fantastic, shot throughout with religious mysticism. The finest actors and actresses of the time played in it, since the Elizabethan stage society commanded the interest of the leaders of the drama. The play brought an abundance of personal publicity to its young author. Such newspapers as the Manchester Guardian gave it notable and laudatory reviews, although that power among newspaper critics did complain about the egregious alliteration of the line:

*"The weary way where wisdom walked with woe."*

Wright was still a student when he wrote a comedy that was produced in London, bringing satisfying financial returns to its writer and assisting him through college.

### Music's Place in His Sun

Studying and writing plays was not enough, if we are to judge by the record, to keep Wright nicely occupied. He interested himself in music. As a boy, he had been thoroughly trained to the organ and, in time, played at many churches and cathedrals. As a natural corollary to serving as organist in different churches, he studied choral work. For two years he led the Yorkshire Ladies' Choir, that sang at music festivals at Crystal Palace, York and other points, usually carrying off highest honors and occasionally being outsung and forced to take second prize honors.

Mr. Wright skirted the fringe of politics for awhile. He almost became totally embroiled in its maelstrom. It was an emergency circumstance that brought politics down upon him. A Conservative meeting was scheduled to take place in the town, where he was teaching at the time. At the last moment, word came that the lecturer was ill and could not come. Mr. Wright was hustled into the breach and gave a stirring speech. Those who have heard him speak in the United States and Canada, will realize the type of inspirational, yet practical speech he must have given on that occasion. Wright is a good speaker; lucid, incisive, deft in phrase; dramatic, when there is need for effect.

That first speech established him as a political orator. Invitations to speak at Conservative meetings crowded upon him. They were as thick as hail; in fact, embarrassing.

Such activities, added to the publication of a number of volumes of poetry, occupied Mr. Wright's time in England until 1912. In that year, he came to Canada for a three months' vacation, intending to visit a sister. He has never gone back. By the time the vacation was ended, he had decided to tear up his return ticket. Canada became his fosterland. He held several accountancy positions with different companies, finally going to the Wahl Company in 1921. He was given the nominal title of assistant secretary but in reality he had complete authority over the Canadian operations of that company, which had just then begun to establish the Eversharp pencil on the Canadian market. Some person at the American head office of the Wahl Company was shrewd and long-headed. He called Wright to the States, gave him $50,000 to work with and told him to go back home to Canada, there to make and sell Eversharp pencils. Two years later, the Wahl Company went through a reorganization and Wright was given the title of his job, as well as the authority, becoming vice-president and general manager of the Wahl Company of Canada. He reorganized the production and distribution of the company and, year by year, sales have grown under his able direction.

### Building Success on Costing

Most of the success of the company he attributes to the thorough system of cost accounting, which he has developed.

"The study of costs is to-day the most essential part of modern business," says Mr. Wright. "It is the factor that makes for success or failure."

Mr. Wright began the study of costs in 1921, thus specializing in a branch of accounting that was only then beginning to come in for attention. Prior to that time, executives of many concerns were wary of making investments in what appeared to them to be a non-productive branch of administration. The cost department was widely considered a "white elephant."

(Continued on page 27)

## Pencils, Poetry and "Pep"

R. L. WRIGHT.

Mr. Wright—"Mickey" Wright, as his friends know him—is best known in the business world as an authority on cost accounting and as vice-president and general manager of the Wahl Company, Toronto, makers of Eversharp pencils.

In the past year, members of the City Club of Toronto have gotten to know him, for he has been a leading force in putting that club on its feet and most of the members attribute to "Mickey" Wright the Club's present satisfactory financial position.

Mr. Wright is a man of great versatility—a shrewd business man, a good organizer, and he writes exceedingly well with the pencils fashioned under his direction.

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Our current Odd Amount List contains a few securities carrying the guarantee of the Dominion Government; issues of seven of our Provinces, issues of some of the foremost cities of the Dominion and a few issues of the leading industrial corporations of Canada. From these odd amounts, yields may be obtained ranging from 4.80 per cent. to 6.21 per cent.

*Copy of Odd Amount List gladly supplied on request.*

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NEW YORK LONDON, ENG.

# *Your Investments*

**Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.**

### Ontario-Slocan

Reader, Guelph.—A friend has stock in Ontario Slocan Development Co., and is anxious to know the value of the shares.

Lists of mining companies now in operation fail to show any such company as you inquire about.

### Losses on Real Estate Bonds

Inquirer, Princeton.—If you have any data as to the percentage of losses on real estate bonds in Canada I would appreciate that information.

Real estate bonds in Canada have been very successful and while we have no exact data as to the percentage of losses on such bonds, we know that the losses have been practically nil in the case of well secured first mortgage.

### Guelph Mining

Reader, Ontario.—Would you please give some idea of the value of shares in the Guelph Mining and Development Co.

As far as we can learn there is no Guelph Mining and Milling Co. operating in Canada. We have checked the lists of practically every company in the country. There is an operation with some such name in the Western States but we do not list U.S. companies.

### International Nickel

Torontonian.—I would like to know something of the prospects of International Nickel and its management. Would you call it an investment or put it in the speculative class?

International Nickel is a speculative investment. The company is working into a sound industrial position, however, and is very strong financially. The management is of the best. The shares are $25 par value.

### Graphite Deposit

Reader, Western Canada.—I have a good deposit of graphite and would like to know if there is any prospect of selling under option or terms at present.

The following are the operators in Graphite mining in Canada. The heads of these companies might be interested in your proposition.

North Quebec Mining Development, St. Remi Fredette, Que.; Laurentian Graphite, Ltd., 108 Dominion Express Bldg., Montreal; Canadian Graphite Corp., 425 Phillips Place, Montreal; Harvie Smith Co., 707 Canada Cement Bldg., Montreal; North American Graphite, 50 Spadina Ave., Toronto; Graphite Refining, Ltd., Port Elmsley, Ont.; Timmins Graphite Mines, 1010 Canada Cement Bldg., Montreal; Black Donald Graphite, Ltd., Calabogie, Ont.

### United Bond

Inquirer, Princeton.—Kindly give me your opinion of the United Bond Co., of Windsor. Please explain the weak points as well as the strong points of these bonds and sum up by giving your candid opinion, whether these bonds are a safe investment or not.

We consider the bonds being issued by the United Bond Co. of Windsor, as being well protected as the company is operating on what appears to be a sound conservative basis.

Real estate bonds have their weak points as have all investments but the possibilities of loss are quite remote. There is always the danger of the property bonded remaining idle and unoccupied due to an extended condition of poor business generally but where the bond issues are made upon a conservative valuation, this danger is minimized.

### Supertest

Reader, Glencoe.—Would you give me your opinion of Supertest 7 per cent. preferred of London, Ont.?

This company has issued.

7% Class "A" Pref. ($100 Par) $385,700.

6% Class "B" Pref. ($100 Par) $200,000.

Common (No Par) $25,000.

"A" preferred is premier security being preferred as to assets and dividends. Class "B" is owned by old shareholders who accepted these shares and common stock for their properties. Surplus assets over liabilities $519,096, or about $135 for each $100 of Class "A" preferred issued. Earnings:

| | Stations | Sales |
|---|---|---|
| 1923 | 3 | $113,934 |
| 1924 | 16 | 342,47$ |
| 1925 | 67 | 1,000,000 |

The original issue of "A" Preferred was at par with a bonus of one of common for every two preferred purchased. The company distributes petroleum products in Western Ontario.

### Montreal Power

S. H. W., Lunenburg.—I am holding 70 shares of Montreal Light, Heat and Power Consolidated; is it your opinion that a split will be effected shortly? If so, do you believe that it will be 4 to 1 as has been suggested in different financial papers?

We do not know at what price you purchased your shares of "Power," but we would say that whether you purchased them for a speculation or for an investment, you would be quite safe in putting them away in your safety deposit box.

Now as to the split in this stock All the evidence points to the fact that eventually it will be split, but information which we obtain from those close to the company leads us to believe that there has been no real discussion by the management of any such split. The only reason why the various financial papers have mentioned a four to one division, is due to the fact that this seems to be a fairly obvious split up of the shares—we do not believe that up to the present the directors of the company have come to any decision on this matter. No doubt it will be decided; this might take place next week or even next year. We do not know. In any event, we should advise you to hang on to this stock.

### Industrial Alcohol

B. W. U., Quebec.—Would you advise me to hold on to my shares of Canadian Industrial Alcohol? The outlook I believe to be excellent. Will it rise within the next few months?

Yes, the prospects for the shares of the Canadian Industrial Alcohol Company look promising. As you doubtless realize, the major proportion of this company's earnings are derived from its sales of liquor. No doubt, a considerable proportion of the output eventually finds its way to the United States. It is this which makes the stock speculative. If the Canadian Government should ever combine with the Government at Washington to prevent the flow of liquor across the border, it is said that the profits of Canadian Industrial Alcohol would be materially curtailed. This then is the possible development which you must always consider in connection with this stock. On the other hand we understand that earnings this year have been at record levels. Taken by and large, but admitting the speculative element, we believe this stock to be a good hold.

Admitting that the earnings continue to grow, we can not tell you if the stock will rise in a month or two —no one can.

### Asbestos "Old" and "New"

T. R. J., Franklin Centre.—Please tell me the difference between "Asbestos Old" and "Asbestos New." Do you consider "Asbestos New" a good speculation at present prices?

Asbestos old, common, is no longer traded in on the Montreal Exchange. It was removed from trading a week or so ago.

Asbestos new, common, is the stock of the Asbestos Corporation, which recently acquired the assets and undertakings of most of the asbestos companies in the province of Quebec. The old company is now a component of the new.

It can be said now that the Asbestos Corporation is practically in control of the industry in Canada and, as this country supplies around 85 per cent. of the world's asbestos requirements, we most certainly would say that "Asbestos" common is a good speculation.

However, you must remember that there are big blocks of this stock which, if put on the market to-morrow, would undoubtedly move it much lower than present prices, but, on the other hand, if you are willing to buy the stock to-day and wait say 18 months or two years, we believe that it will show a decided market appreciation. Incidentally, we do not believe that the stock will sell very much lower than at present.

### Kelvinator Company

E. J., Toronto.—I bought some Kelvinator common stock recently and I shall be obliged if you will give me your opinion as to whether or not the possibilities are good for this concern.

The Canadian Kelvinator Co., has purchased a plant in London, Ont., to acquire all the Canadian business of the parent company in Canada. It also has the exclusive rights to manufacture and market both the Kelvinator and Nizer products in Canada and throughout the Empire.

The Canadian company is well sponsored, with the American company guaranteeing the preferred dividends for a period of years. Good management seems assured. The outlook for the holders of the common stock therefore depends largely upon the success of the new type of mechanical refrigeration. Only the future can decide that but the idea is growing rapidly in popularity. This is indicated by the fact that there were in the United States in 1925, 85,000 household electric refrigerators as compared with 17,000 in 1924. while the Kelvinator Company of Canada reports that its business for the first three months of 1926 was greater than for the whole of 1925. At present the company is largely engaged with the manufacture of refrigerators for stores and apartment houses. This in itself is a big field but the extent to which the company can expand would seem to depend rather upon the success of the electric refrigerator for household purposes and that may in turn depend to some extent upon price reductions. The mechanical refrigerator has many attractive features in these days when electrical equipment is being so widely adopted for household purposes.

### Besco Common

B. W. U., Three Rivers.—I am a holder of 100 common shares in Besco. Please let me know the situation with regard to this stock.

You will have observed that the Dominion Iron and Steel Company will not be able to meet its bond interest payments on July 1 next. Therefore, it seems apparent that this constituent company of the British Empire Steel Corporation will pass into the hands of its bondholders. In other words then, it seems possible that Besco may lose its equity in this subsidiary which, while at present it is not able to make money, yet the physical value of its properties is large. Again, the Dominion Steel Corporation has guaranteed over $4,500,000 of the second mortgage bonds of the Dominion Iron and Steel. It looks very much as if the Dominion Iron and Steel has become a liability instead of an asset of the corporation.

Again, in the forthcoming re-organization of Besco, your common stock holdings will undoubtedly be drastically scaled downward—in fact, there is the possibility that the common shareholders might be wiped out entirely. In view of the large losses which the company has experienced, and in view of the tremendous fixed charges and arrears of preferred dividends which come before your common stock, we can see little chance for any appreciation in the market price of the common stock. At present prices, you would probably be lucky to obtain $75 for your hundred shares. Incidentally, it would not be surprising to see the common stock change hands at an even lower figure.

As yet, no one has any information on the projected re-organization of the corporation—therefore, it is impossible to forecast the future trend of the market for the common stock

The Alberta Pacific Grain Company, Limited

6% First Mortgage Bonds
Due June 1, 1946

The business of the Company and its predecessors has been in existence for 24 years, and now represents one of the largest and most successful grain elevator undertakings in Western Canada.

Combined value of fixed assets, investments and net current assets is $8,717,000, as against $3,500,000 of bonds.

Average annual earnings for the past three years, after depreciation and taxes, have been equivalent to over 3¾ times bond interest requirement.

Price: 98 and accrued interest
Yielding over 6.15%

*Descriptive circular, map and photographs of properties forwarded on request.*

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## "Brick for Brick" Likely to Bring No Result

NEW YORK.—The Journal of Commerce of this city regretfully opines that the "brick for a brick" offer of tariff reciprocity in farm products, made in the Canadian House of Commons by Hon. W. R. Motherwell, will find no welcome in the States. It says:

"According to current advices, the Canadian government has let it be known that it is willing and ready to 'take a brick' from its tariff wall, at least so far as certain agricultural goods are concerned. for 'each brick' we can be induced to take from our similar wall against similar commodities. Mention is likewise made of the offer of the same sort, but broader in its application, made to us by the Canadian government in 1922. It is more than probable that the outcome of the present suggestion will be about the same as that of the former proposal—that is, nothing of practical consequence. The matter may, therefore—with deep regret, be it said—be dismissed from mind so far as its effect upon tariff arrangements, either in this country or in Canada, is concerned.

"The suggestion thus made does, however, serve to bring home to the more thoughtful elements in both countries the extreme and unfortunate lengths to which we have gone in making of the boundary line between the two countries a veritable barrier to trade that, were it permitted freely, which would be of substantial advantage to both peoples. It must, moreover, be said that we have taken the lead and set the pace in this tariff race. Naturally, what course Canada would have pursued during recent years had she been bounded on the south by a nation reasonably liberal in its trade policies is a question about which too much speculation is rather useless, but surely our ideas and attitudes of exorbitant protectionism have had a marked effect upon the Canadian mind."

# POST-Scripts

THOSE who are welcoming the advent of gas for house heating purposes as a new development of the last five years, do not realize that this application of gas has been used successfully for at least 85 years.

About 1833 a patent was granted to Richard Barnes for heating buildings by the combustion of gas, applying the flame either externally to tubes or chambers through which currents of air were passing, or else placing the flame inside the tubes or chambers.

In a "Practical Treatise on the Manufacture of Gas," published in 1841, mention is made that "coal gas has of late years been applied to the heating of churches, chapels, shops, counting-houses, etc.....and has been found to answer the purpose intended."

"WHAT stake have you got in the company you work for?"

The question was asked of a warehouse man whose company was known to be encouraging its employees to invest their savings in its stock.

"Nothin' at all," was the answer!

And yet observes the "Blue Bell," staff paper of the Bell Telephone Co., this man had a steady job at two hundred a month. A shareholder, in order to receive in dividends at eight per cent., a yearly total of twenty-four hundred dollars, the amount of this man's salary, would have to own thirty thousand dollars of stock in the company. Quite a substantial investment, you'll agree!

So then, whether it is our labor we invest, or the money our labor has enabled us to accumulate, we have a real investment in the concern which pays us either wages or dividends. In either case that concern has a right to look to us for whole-souled support.

JOHN M. TAYLOR, the energetic head of the Taylor-Forbes Co., Ltd., Guelph, who has been made president of the Canadian Manufacturers' Association, is known as an agile handler of figures. One of his little whims is to have a big supply of wrapping paper placed on a little table at the side of his desk every morning, and as he talks he is constantly figuring, and tears off the sheets after he is through. John M. is one of the best informed manufacturers in Canada, on costs, and his advice is constantly sought by many other Canadian manufacturers in reducing costs to meet foreign competition. While talking to a representative of Hardware and Metal recently he scribbled figures showing how a certain style of hinge could be imported from Sweden for 23 cents a pair, while the same style hinge purchased from the Canadian manufacturer cost 40 cents a pair. He showed a brass coat hanger that can be imported from England at $1.10 cheaper than the Canadian manufacturer's actual cost. And yet the Canadian manufacturer must adjust his costs to meet this competition so as to hold his business and keep his workmen employed.

He cited one little instance following the recent tariff changes on motor car parts. A Canadian motor car maker cancelled all orders for a certain part because he could import them cheaper from the United States. This threw 11 men out of work—5 moulders, 3 core makers, 2 nightmen, and one mill man. Most of them were married with a total of over forty dependents. John M. was busy figuring how to get some new work arranged for these men, because he prides himself on keeping his men employed at good wages.

### "PRINTED IN THE U.S.A."

The Labor Leader:—The printing industry has been very dull in Canada during the past year. Every city in Canada has a lot of idle compositors, pressmen, machine operators, bindery workers and lithographers. These workmen would appreciate jobs. There is a lot of printing done for Canadian concerns that is not produced in Canada.

Advertising pamphlets, advertising show cards, illustrated and advertising periodicals, price books, catalogues and price lists, calendars, almanacs, patent-medicine circulars, fly sheets, pamphlets, etc., are ordered by Canadian firms from U.S.A. printing houses and used for advertising purposes in Canada. Nearly $2,000,000 worth was imported during the past year.

Two million dollars would provide employment for hundreds of idle Canadian printers. Canadian printers produce as fine work as is produced anywhere at prices below large U.S. concerns, as wages are less in Canada. But Canadian printing orders are not so large in volume as Americans obtain and, therefore, are more expensive to produce.

It certainly seems very inconsistent for a manufacturer to label his products "Made in Canada" and sell them with advertising matter labelled "Printed in the U.S.A."

### A SENSIBLE DECISION

Hamilton Herald: Hamilton citizens did a good stroke of business for themselves and for the whole community when they ratified the by-law embodying the new street railway agreement. They saved the city from a very awkward situation, the only outcome of which might have been the risky experiment of the purchase of the street railway by the city and its operation as a public work.

Detailed data on selected securities

Our June Investment list is something more than a mere summary of prices and yields.

In concise form this list summarizes the essential information on well diversified groups of government, public utility and industrial bonds and preferred stocks.

The requirements of any investment can be met from this list and it will be helpful to you whether you are an investor of long experience or an investor contemplating a first purchase.

Income returns range from about 4½% to about 7½%.

*Write or Telephone for Investment List No. 4*

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Fort William Paper Co.
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Fort William Paper Co. Limited is one of an important group of newsprint mills, being controlled by three of the largest newsprint interests in Canada. Earnings have been substantial, assets and working capital are ample, and the Company has the advantage of experienced and capable management.

Price: 98.50 and interest,
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Fully descriptive circular gladly furnished upon request.

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129

The Alberta Pacific Grain Company
Limited

6% First Mortgage Sinking Fund Gold Bonds
Due June 1st, 1946

Price: 98 and accrued interest,
yielding over 6.15%

*Full particulars on request*

**HANSON BROS.**
*INVESTMENT SECURITIES*
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Adelaide 3486-7-8.
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If you wish, we will gladly send you an interesting booklet on investments. This will place you unuer no obligation. Simply write: Send me booklet.
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WINDSOR, ONTARIO.

Trustee Investments

Bonds of larger Canadian Municipalities may still be bought to yield from 4¾% to 5.10%.

Besides being "legal" for trust funds, they should be bought by those to whom safety of principal is imperative.

**F. H. Deacon & Co.**
227 Bay St., Toronto

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*We Offer:-*
New Issue
Minnesota and Ontario Paper Company
6%
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*Maturing January 1st, 1948*
PRICE:-
99.50 and interest
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**McDonagh, Somers & Co.**
Government and Municipal Bonds
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TORONTO
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AN ESSENTIAL INDUSTRY

The Alberta Pacific Grain Co., Limited
7%
Cumulative Preferred Shares

*Price:*
100 and accrued dividend
Yielding 7%
(Each share of preferred carries a bonus of one share of common stock.)

**R. A. DALY & CO.**
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# News of the Investment Market

## TRADING METHODS IN BONDS TIGHTEN DUE TO SCANDAL

### Exposure of Gigantic Bond Mystery Leads to Check-up

Bond circles in Toronto are going through a mixed season of excitement, amazement and worry at the present time, due to the collapse of the pack of cards piled high by a new-day Ponzi. An apparently unimportant arrest this week of a young man, charged with a crime quite unrelated to finance is being linked with a strange series of transactions that have, it now appears, been common knowledge in bond circles for over two years past and that have brought large profits to many investment bankers and heavy losses to others, as well as to a number of private citizens.

Such terms as the "mystery syndicate" are being applied to the group, who have been operating on a large scale in the bond market with other people's resources, while the key man in the transaction is given the intriguing and rajah-like title of "Mr. A." Whether "Mr. A." will prove to be not a single, ambitious, but now unfortunate, young man or a group of shrewd workers behind the scene is a tempting bit of speculation likely to be solved in the disentanglement of this skein of financial wizardry.

**Going on Long Time**

The story, as far as it can yet be told, goes back about two and a half years when the new Ponzi then— and since, for that matter—a clerk in a dusty land titles office, began to establish connection in a small way with several bond houses. He evidently had no money but a good name and a big idea. He bought a few bonds from each of the houses, asking for immediate delivery and giving a plausible excuse for not paying at once, asking the privilege of paying for the bonds in three or four days. His standing in the community and the introductions he was able to offer won him favor in a number of places. Of course, the bonds, he got were paid for as promised; it is charged by money received from the sale of the bonds to other dealers. There was a loss in the transaction, probably of around one per cent., representing the difference between the buying price and the selling price, but this was merely the price paid for establishing connections.

In time, the transactions grew to immense proportions and nearly every bond house was approached and asked to sell bonds on a large scale to the syndicate on similar terms; delivery of the bonds to be given, without the payment of any cash and payment to be made in several days' time. It was dangerous business for the bond houses and most of them declined to sell on those terms, although some of them did buy and sell and made large paper profits. They were influenced not only by the large sales that were available, at prices that allowed them good margins, but by introductions and guarantees of good faith, offered by the mysterious operator.

**One House Got Out**

It is said that one house did business with the syndicate for over a year, making in that time excellent profits and then withdrew, closing out the account without loss.

It is also said that the operations of the syndicate reached the amazing proportions of $500,000 a week and were so large that the story got about, evidently encouraged by the syndicate, that they were buying for the Dominion government sinking fund.

In the meantime, the syndicate was losing an immense amount yearly in commissions on the buying and selling of these bonds. On the other hand, as they always had the bonds several days before paying for them, they had continually the use of immense sums of money and the theory is that this money was used in speculating in the stock market or playing the races, and to enlarge their bond operations. The chief figure in the scheme denies stock market speculations. For a while, it is understood, the stock market speculations were very profitable and one story is to the effect that the syndicate, on one occasion, could have closed out their operation a cool million ahead of the game. But, continues the story, the stock market went against them. They had heavy losses and had to meet them. To meet them they had to get longer possession of the bonds and began to substitute promissory notes for the usual week late cheque. It was then that certain houses that had been carrying the account, became suspicious and closed it out, although there were evidently others ready to continue. The promissory notes offered usually bore good signatures and insofar as information is available, it was the forging of the signature of responsible men to the notes that led to the break up of the syndicate and the tumbling down of their whole scheme.

**Why One House Stayed Out**

"We were approached about three months ago and asked to sell $30,000 a week of Victories to the syndicate," one bond house told The Financial Post. "But we laughed at their proposition. To us, bonds are cash and we will not let them out of our possession except for cash. Post-dated cheques were not enough inducement, even with a good margin on the bonds. Certainly those who approached us left the impression that they were buying for the Dominion government."

The revelations in connection with the "mystery syndicate" will undoubtedly serve to tighten up methods of procedure in the bond business.

In the past, it was always the invariable rule for a bond house to get cash for its securities on delivering them. To achieve this, they either got a marked cheque or had the bonds delivered by a bank with a draft attached. But, of late, some laxity has grown up and various houses have on occasion delivered securities to people, with whom they have been dealing for some time, without at once collecting the cash. It was this laxity together with the use of the prestige of bigger names that enabled the mystery syndicate to conduct its operations.

**Former Cases Now Told**

The case is recalled of one bond house that delivered $65,000 of bonds to a supposedly responsible client a few years ago. The bonds were delivered without a draft attached and when the client proceeded immediately to go into liquidation the bond house found its bonds out of its possession, while it ranked only an ordinary creditor. It took a very serious loss.

In another case, that is recalled, a bond house delivered some $25 000 of bonds to a client who had been dealing with it for some time; the client took the bonds without paying for them and skipped the country. The bond house was out the money.

## New Bond House

**H. W. DE GUERRE,**
Formerly secretary-treasurer of Stewart-Scully Co., bond dealers, and who recently became president of the H. W. De Guerre Company of Toronto. His first flotation is in connection with a luxurious new Avenue Road Apartment House.

## S. W. Straus & Co. Open New Office in Montreal

From Our Own Correspondent.

MONTREAL.—A branch of the New York investment house of S. W. Straus & Co. has been opened in Montreal; the branch is under the direction of Paul Slatter. It is understood that it is the intention of the company to enlarge considerably its Canadian sales organization.

## York-Adelaide Realty Opens New Park Garage

The York-Adelaide garage in Toronto, a super-parking structure for motor cars, was opened this week.

This building was recently financed by W. A. Mackenzie & Co., of Toronto, by a bond issue of York-Adelaide Realty Co.

## Avenue Road Apartment House Bonds Offered

H. W. De Guerre & Company are offering the first mortgage bonds of a new apartment house that is now being erected on the Sir William Mackenzie estate, Avenue road hill, Toronto. The issue consists of $300,000 7 per cent., first mortgage bonds, due in twenty years. They are being sold at par.

The new apartment house will be known as Four Hundred Avenue Road. It is being built by A. R. Holmes, who built Two Hundred St. Clair West, and the architects, Craig and Madill, are the same. The structure will be along similar lines, except that it will be about two-thirds larger. It will have 214 rooms, or 41 suites, as well as a parking garage.

**$300,000. 400 Avenue Road, Limited.**
7 per cent. 1st Mortgage Bonds.
Dated June 1, 1926. Mature June 1, 1946.
**Property:** Apartment house, 214 rooms, 41 suites, in Toronto.
**Value:** Independent valuation gives $506,100.
**Earnings:** Estimated at $42,798 after allowance for expenses and 10 per cent. vacancies. Bond interest $21,000.
**Security:** First closed mortgage on all assets.
**Sinking fund:** $3,000 half yearly beginning June 1, 1928.
**Other Securities:** 7 per cent. cum. pfd. $50,000 to be issued. Common shares, no par value, 6,000 shares.
**Offered:** June, 1926, by H. W. DeGuerre & Co., C. P. R. Bldg., Toronto. Price: par.

## Asbestos Bondholders Exchange Holdings Soon

From Our Own Correspondent.

MONTREAL.—Notices have been forwarded to the bondholders of the Asbestos Corporation of Canada that on July 1 next the bonds of the old company may be exchanged for the first mortgage bonds of the new Asbestos Corporation.

The right to exchange the bonds expires November 1, 1926. It seems obvious that the bondholders in the old company will avail themselves of the offer for the bonds of the new corporation pay 6 per cent., whereas those of the old paid five.

The bonds of the old company outstanding at present total $1,699,000; the authorized new issue of first mortgage bonds on the consolidated properties is $3,000,000. All in all, it can be said that while the total amount of the new issue is some $1,300,000 in excess of the old issue, yet the security back of the new bonds equals that behind the old ones, for not only have the properties been greatly enlarged, but undoubtedly the corporation's earning power has also been greatly increased. Thus the exchange of bonds looks the more attractive.

## Cawthra Family Build "Yeadon Hall" in Toronto

W. A. Mackenzie and Company, Toronto, are financing construction of a new apartment house on the Cawthra estate, College street and at St. George, Toronto. They are offering $425,000 of 7 per cent. first mortgage bonds of Cawthra Apartments which is the name of the company that will operate "Yeadon Hall."

The new apartment house will contain 312 rooms and 72 suites. It will be controlled by the Cawthra family, who have held the land for many years, and as the new bond issue represents but 60 per cent. of the value of the property, they will retain a substantial investment in it.

**$425,000 Cawthra Apartments, Limited.**
7 per cent. 1st Mortgage Bonds.
Dated June 1, 1926, Mature June 1, 1946.
**Property:** Apartment house, 312 rooms, 72 suites, in Toronto.
**Value:** Independent valuation gives $709,000.
**Earnings:** Estimated at $50,810 after allowance for expenses and 10 per cent. vacancies.
**Security:** First closed mortgage on property.
**Sinking fund:** $8,500 per annum beginning June 1, 1928.
Other securities: Not shown.
**Offered:** June, 1926, by W. A. Mackenzie & Company, 217 Bay St., Toronto. Price: par.

Gosse Packing Company, Limited

7% Cumulative Redeemable Sinking Fund Preferred Shares carrying a bonus of One Share Common with each Five Shares Preferred.

Price: Par and accrued dividend, yielding 7%.

*Fully descriptive circular upon request.*

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Mexican Light and Power Co. 5% 1940, Preferred and Common
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STATISTICS announced by the Association of Life Insurance Presidents of the United States show that Real Estate Mortgage Bonds are a remarkably safe investment. Over a period of several years the loss in the whole first mortgage bond field has been practically negligible—only three-thousandth of one per cent. (1/3,000 of 1%)—and this was occasioned by small, new companies operating on an unsound basis.

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371 Bay Street, Toronto

## Tenders for Debentures

Tenders will be received by the undersigned up to Tuesday, June 22nd, 1926, for the purchase of the following Debentures issues:

**$25,000.00**

For building of Public School, Term 30 years, Interest 5½%, equal annual payments of Interest and Principal $1,720.13 payable any place or places in Canada or Great Britain. By-Law Number 300, Government Guaranteed.

**$62,000.00**

For Construction of Asphalt Pavement 40 feet wide on Third Avenue, Fourth Avenue, Spruce Street and Cedar Street, and a 12-inch Storm Sewer on Second Avenue and Cedar Street. Term 15 years, Interest 6½%, equal annual payments of Interest and Principal $6,593.87 payable any place or places in Canada. Local Improvements, By-Law Number 311.

**$18,000.00**

For Construction of Sanitary Sewers on Kirby Avenue, Commercial Avenue, Preston Street, Rea Street, First Avenue and Spruce Street. Term 15 years, Interest 6%, equal annual payments of Interest and Principal $1,853.33 payable any place or places in Canada. Local Improvements, By-Law Number 312.

**$12,000.00**

For Construction of extensions to Water Works System on Kirby Avenue, First Avenue, Spruce Street and Bannerman Avenue. Term 15 years, Interest 6%, equal annual payments of Interest and Principal $1,235.54 payable any place or places in Canada. By-Law Number 313.

**$22,000.00**

For Construction of Asphalt Penetration Pavement 16 feet wide on Wilson Avenue, Mountjoy Street and Third Avenue. Term 5 years, Interest 7%, equal annual payments of Principal and Interest $5,365.59 payable any place or places in Canada. Local Improvements, By-Law Number 310.

Tenders not accepted for less than the full above mentioned issues. Purchaser to arrange and pay for the Printing of Bonds.

TOWN OF TIMMINS,
per H. E. MONTGOMERY,
Clerk and Treasurer.

# *Municipal and Provincial Finance*

## IS GASOLINE TAX LEGAL? QUESTION RAISED ON COAST

### Fuel Oil Tax Not Legal So Other Will be Tested

It is possible that action will be taken in the near future to test out the validity of British Columbia gasoline tax. The decision in such an action would be important as it would have a bearing on similar taxes in other provinces.

Action in B.C. is expected because the courts have held that the tax imposed by the Province on fuel oil has been held to be ultra vires of the legislature. Legal authorities are contending that the holding of one law to be invalid, invalidates the other, for their validity hinges on the same point.

In B. C., the decision is of particular importance. The fuel oil tax was imposed to help out the market for coal. Besides, the revenue was very material.

The case before the courts hinged on whether the tax was a direct or indirect one, or a tax or a tariff.

Judge Morrison, who held the levy to be invalid, said in his conclusion:—"Though the desire may be for the Government of the day to safeguard local products from an imported rival commodity, yet it is not the intention of the Imperial Parliament to empower a local legislature to create a protective tariff. For in its incidence I think the tax savors of a custom duty. I therefore find, in the words of the Judicial Committee of the Privy Council, in the case of Reed, supra, that the Legislature has, in the impeached act, sought to impose a tax which in substance indirect in its nature, inasmuch as it would, in many transactions, be demanded from one person in the expectation that he should indemnify himself at the expense of another. It was also there held that the question of the nature of the tax is one of substance and does not turn only in the language used by the local Legislature, which imposes it, but on the provisions of the Imperial statutes of 1867. In my opinion the tax sought to be imposed is ultra vires of the local Legislature, as not being direct taxation within the meaning of sub-section 2 of clause 92 of the British North American Act, 1867."

## SPENDING ORGY NEAR TORONTO MAKES NEW FINANCING DIFFICULT

(Continued from page 1)

and prevented serious loss to investors. In Vancouver, at the present time, formation of a metropolitan commission is being urged by a number of leading citizens. It is suggested that Toronto and its adjacent municipalities may have to adopt a similar plan.

Greater Toronto has been showing striking growth in the past few years and yet the assessment figures of the municipality of the city of Toronto, now being prepared, show a practically steady population within the municipal boundaries. The big population increase is on the outskirts, in those municipalities which fringe the city. They include East York township, with a population of about 22,000; York township, with a population of about 45,000; North York, which is more nearly a fully rural township with a population of 7,500; Scarborough township, with a population of about 14,000; Etobicoke township, with a population of about 12,500; Forest Hill village, with about 2,500; town of Leaside, with about 500 people; town of Mimico, with 4,500 people; town of New Toronto, with about 4,000; and town of Weston, with about 4,000.

### Some Spending Too Much

Some of these municipalities are causing no concern but others seem to be spending money at the breakneck speed, which often characterizes the actions of suburban municipalities, and it is the latter that are raising present questions as to the future of these municipalities.

That investors in their debentures will suffer loss is not suggested. There seems ample assurance that greater Toronto area will grow sufficiently to finally strengthen the financial position of these communities. But other problems are raised by the rapidly mounting costs of government in these municipalities. One is the immediate question of their tax rates, which seem destined to jump, when the extent of the commitments that have been made is understood. Another is the question of their financing. A recent issue of one of the municipalities brought only one bid and that at considerably under the price it had been receiving for its bonds. The municipalities are beginning to find it more difficult to borrow; finding too they have to pay higher interest rates and thus pile on posterity higher burdens than would otherwise have to be borne.

One suggestion made is that Toronto and its adjacent neighbors should federate in a metropolitan area, to govern questions of finance, sewers, highways, schools, etc., each retaining its own identity in the matter of general government. The governing body of the metropolitan organization would exercise some control over the capital expenditures of the various municipalities, on the theory that, if one of them gets deeply into financial hot water the others—or perhaps the city of Toronto, alone—would have to come to the rescue.

Toronto's civic administration seems at the moment to be disposed against annexation of further areas to the city, and some of the outlying areas are equally determined never to join the city, but judging by the way the satellite communities are spending money, either formation of a superior municipal organization or annexation is bound to come.

In the meantime, the bond dealers and the larger investors are watching the situation closely, and a quiet investigation of the finances of these townships is in progress.

### The Three "Yorks"

| | |
|---|---|
| **York Township—** | |
| Population | 47,233 |
| Assessment | $21,727,344 |
| Debenture debt. | 5,283,021 |
| **East York—** | |
| Population | 21,434 |
| Assessment | $10,431,633 |
| Debenture debt | 4,386,275 |
| **North York—** | |
| Population | 8,375 |
| Assessment | $ 9,158,911 |
| Debenture debt. | 815,373 |

## Oil Companies Charged Taxes on Curb Pumps

A case of interest to all merchants who have gasoline curb pumps has just been decided by the Toronto Court of Revision, according to Hardware and Metal. The oil companies put on record an agreement signed by a dealer whereby the oil company installed a curb gasoline pump for the nominal sum of $1, and the dealer could complete the purchase at the end of five years by paying the balance. During this period the dealer must sell only the gasoline supplied by the oil company which supplied the pump. The oil company controlled the pump by means of the agreement and the city of Toronto will, therefore collect taxes on the pump in question from the oil company holding the agreement. The assessment department state that in cases where an agreement of sale is produced by the oil company showing the dealer to have paid a substantial sum down or to be making reasonable monthly payments, this would be accepted as an actual sale and assess the dealer with the taxes.

## New Brunswick Puts New Tax On All Corporations

A new tax upon all companies incorporated in New Brunswick and doing business in the province is announced.

The new impost, which may yield as much as $50,000 additional revenue for the province annually, is brought into effect by order-in-council which appears to have been passed at the last meeting of the provincial cabinet.

Acting under a provision of the New Brunswick Companies Act and amendments all companies are compelled to file a return showing officers, authorized subscribed capital, location of head offices, etc., and accompanying the return there shall be fees running from $5 to $250, according to the authorized capital.

The schedule, the notice says, applies to extra-provincial, Dominion and domestic corporations.

## Tenders and By-laws

**June 21, Ottawa**—$741,942, 5%, 10, 15, 20 and 30-year debentures, John P. Balharrie, mayor.

**June 12, Carleton Place**—$51,115, 5%, 30-instal. debs. H. Nicholson, treas.

**June 18, Laval des Rapids, Que**—$10,000, 5½%, 20-year bonds. J. A. Paquette, registrar.

**June 22, Timmins**—$139,000, 5½, 6, 6½ and 7%, 5, 15 and 30-year debentures. H. E. Montgomery, clerk and treas.

**June 21, Town of St. Joseph d'Alma, P. Q.**—$10,000, 5½%, serial debentures. J. E. Cote, sec.-treasurer.

**June 21, School Commissioners of Grand'Mere, P. Q.**—$90,000, 5%, serial bonds. Auguste Desilets, sec.-treas.

**June 22, City of Westmount, P. Q.**—$412,000, 4½%, serial bonds. Arthur F. Bell, sec.-treas.

### DEBENTURE NOTES

BRAMPTON.—A debenture by-law authorizing the borrowing of $43,000 for the erection of an addition and permanent improvements to the local high school was passed recently by the town council.

### UNLISTED BONDS

| | | |
|---|---|---|
| Abitibi 6% 1940 | 102¼ | 103 |
| Algoma Steel 5% 1962 | 29¾ | 30½ |
| Belding 5% 1936 | 89 | .. |
| Belgo Can. Paper 6% 1943 | 100 | 100¾ |
| Brand-Henderson 5% 1939 | 90 | .. |
| Burns, P. & Co. 6½% 1943 | 102⅞ | 104 |
| Can. National Rly. 5% 1954 | 101⅛ | 101⅝ |
| Calgary Brewing 5% 1942 | 83 | .. |
| Can. Steamship Lines 7% 1942 | 104½ | 105 |
| Can. Pacific Rly. 5% 1934 | 99¾ | 100⅛ |
| Can. Pacific Rly. 4½% 1944 | 93 | 93⅝ |
| Can. Steel Foundries 6% 1936 | 102 | .. |
| Dom. Iron 5% 1939 | .. | 41 |
| Dom. Textile 6% 1949 | 106 | .. |
| Elect. Develop. 5% 1933 | 108⅝ | . |
| Frontenac Brewery 6% 1951 | 97¾ | .. |
| Fraser Companies 6% 1950 | 96½ | 97¼ |
| H. Smith Paper 7% 1941 | 100¼ | .. |
| Laurentide Power 5% 1946 | 100 | .. |
| Laurentian Power 6% 1936 | 100¾ | .. |
| Prov. of Ontario 5% 1948 | 101⅛ | 101¾ |
| Ontario Pulp 6% 1931 | 107 | .. |
| Price Bros. 6% 1943 | 103⅛ | .. |
| Quebec Power 6% 1953 | 103¾ | .. |
| Winnipeg Elec. 6% 1954 | 96¾ | 97½ |
| St. Maurice Power 6½% 1935 | 108½ | 108⅞ |
| Jam. Pub. Service 6½% 1943 | 102 | 103 |
| Span. River P. 8% 1941 | 106⅞ | .. |
| Ottawa Mtl. Pr. 6½% 1949 | 101½ | .. |

## Ontario Bonds in Keen Demand in Markets of United States

### Stability is Central Feature of Province's Bonds Which Rank Along With Dominion Issues

Like the bonds of some of the other provinces, those of Ontario enjoy a reputation for stability comparable to the bonds of the Dominion Government. As in many other respects, Ontario, in its bonds, marks more or less of a dividing line between the East and the West. On one side are the provinces which have their development period largely past. On the other are the expanding areas of the country. The latter have most of their growth ahead, but at the same time, have, generally speaking, more sparse populations and higher per capita buying power, but fewer people to support a provincial government. This does not mean, as one might expect, that the Western Provinces fail to balance their budgets while the others have an annual surplus. There is no such division Last year there were five deficits and four surpluses. The latter were reported by New Brunswick, Quebec, Manitoba and British Columbia, a widely distributed group.

Ontario's stability is based on the fact that the province has a well-rounded development in all directions. It is not often thought of as by any means chiefly agricultural, yet last year the farm revenue of $477,159,000 was more than $60,000,000 larger than that of any other province. The aggregate value of field crops was exceeded only by that of Saskatchewan. Ontario leads all the provinces by a wide margin in the number and value of cattle, sheep and hogs.

**Leads in Manufacturing and Mining**

In the field of manufacturing. Ontario takes the lead. The last complete census made, that of 1923, shows that there were more than 260,000 men employed in the various factories of the province, and that the products of these plants were valued at $1,451,883,308, as against $811,103,396 for Quebec, the next largest manufacturing province While the majority of the 10,000 plants are located in the larger cities, a feature of Ontario's development is that large numbers of the smaller towns and even villages have their plants, and many of the large manufacturing concerns are realizing the importance of decentralizing industry.

Ontario also leads in mining. The value of last year's production was $87,722,491 or 39.02 per cent. of the total of $224,846,237 for all Canada. In 1924, Ontario's share was 41.29 per cent. of the total. The province's mining output, however, is increasing more rapidly, relatively, than that of the others.

These figures are quoted merely to show the rounded development of Ontario's industries. The total revenue of the province last year was approximately $2,425,000,000, from all sources, out of a total for Canada, of $5,616,330,000, or 43 per cent. of the total. Something of a measure of the buying power of the province is the ownership of automobiles. Last year there were 344,112 motor cars registered in Ontario, out of a total for all Canada, of 728,005.

A feature of the Ontario financial position is the fact that the provincial debt is being wiped out over a period of forty years, by a plan now being put into operation. The provincial debt before the recent financing amounted to $300,855,000, or $102 per capita. Ontario is exceeded in her per capita debt only by Alberta and British Columbia. The net debt is $115,755,000, or $39 per capita. The revenue producing debt amounts to $176,737,000, and sinking funds amount to $12,175,000. Outside the regular floating debt, there are guarantees amounting to something over $50,000,000 on account of Ontario Hydro Electric Power, Toronto University and Niagara Falls Park obligations.

According to the statement of the province published in February, ordinary expenditure was expected to exceed ordinary revenue by something over $5,000,000. The deficit in 1924 was $8,325,645, and in 1923, $14,722,925.

The bonds of the province of Ontario are now selling at prices which yield slightly under 5 per cent, in most cases. Ten and twenty year issues are selling at a yield between 4.80 and 4.85 per cent. There is a diminishing supply available in the market at present, and most of what is available is moving to the United States market where there is a strong demand for such issues.

## This Week's Bond Sales

### TOWNSHIP OF CALVERT

An issue of $10,000 Township of Calvert, 5 per cent. 30-year sinking fund debentures of Roman Catholic Separate School section No. 4, guaranteed by the Province of Ontario, has been awarded to Dyment, Anderson & Co., on a bid of 99.10. The bids were:

| | |
|---|---|
| Dyment, Anderson & Co. | 99.10 |
| C. H. Burgess & Co. | 99.08 |
| McLeod, Young, Weir & Co. | 98.88 |
| Municipal Bankers' Corp. | 98.74 |
| Macneill, Graham & Co. | 97.52 |

### DONNACONA BOND ISSUE

Credit Anglo-Francais, were awarded the issue of $11,500, Donnacona, Que., 5 per cent. 5-year serial bonds at 98.56, which is equal to a cost basis of 5.49 per cent. The bids were:

| | |
|---|---|
| Credit Anglo-Francais | 98.56 |
| Normand & Halin | 98.34 |
| Municipal Debenture Corp. | 98.28 |
| Versailles, Vidricaire & Boulais | 97.87 |
| Credit Municipal | 97.84 |
| G. Brunelle | 97.09 |
| Lageux & Darveau, | 97.92 |
| Bray, Caron & Dube | 98.02 |

### BOND MOVEMENTS OF THE WEEK

Week Ending June 8

| Bonds— | Int. Rate | Due | Yield | Range, 1925 High | Range, 1925 Low | Range, 1926 High | Range, 1926 Low | Ask | Latest Price Bid | Latest Price High | Low |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Asbestos | 5 | 1942 | 5.36 | 99 | 80¾ | 97 | 92 | 98 | 96¼ | 96 | . |
| Can. Canners | 6 | 1950 | 6.36 | 96½ | 90 | 95½ | 94 | 95¾ | 95⅝ | 95½ | 95 |
| Can. Cement | 6 | 1929 | 5.40 | 103¼ | 100 | 103 | 101½ | .. | 102 | 101⅞ | .. |
| Can. Cottons | 5 | 1940 | 5.40 | 96 | 91½ | 96⅛ | 95 | .. | 95¾ | 96⅛ | .. |
| Cedar Rapids | 5 | 1953 | 5.00 | 99⅛ | 97 | 101½ | 98¾ | .. | 101 | 100 | .. |
| Montreal Trams "A" | 5 | 1955 | 5.48 | 98¾ | 92¾ | 96 | 92½ | 93 | 92⅞ | 93 | 92½ |
| Montreal Trams | 5 | 1941 | 5.20 | 98 | 94⅞ | 98½ | 97 | 97¾ | 97¾ | 97¾ | 97½ |
| Quebec Rly. | 5 | 1939 | 5.58 | 98 | 89¾ | 95 | 91⅞ | 94½ | .. | 94½ | 94⅜ |
| Rio Janeiro | 5 | 1935 | 5.76 | 95½ | 82 | 94½ | 92 | .. | 94¼ | 94½ | .. |
| Sao Paulo | 5 | 1929 | 6.12 | 95 | 91 | 96½ | 95½ | .. | 96¼ | 96½ | .. |
| Steel of Can. | 6 | 1940 | 5.30 | 106 | 103 | 107½ | 106 | .. | 106¾ | 107 | .. |
| Wabasso | 6 | 1947 | 6.04 | 99 | 92 | 99½ | 99 | .. | 99 | 99½ | 99¼ |
| Wayagamack | 6 | 1951 | 6.40 | 98¾ | 84¼ | 97¾ | 90½ | 94½ | 94 | 95 | 92 |
| War Loan | 5 | 1931 | 4.68 | 102.65 | 101.10 | 102.40 | 101.20 | 101.60 | 101.50 | 101.50 | 101.30 |
| Do. | 5 | 1937 | 4.60 | 104.95 | 103.80 | 104.65 | 103.40 | 103 80 | 103.70 | 103.85 | 103.50 |
| Victory do. | 5½ | 1927 | 4.60 | 103.15 | 101.70 | 101.75 | 100.70 | 101.40 | 101.30 | 101.50 | 100 75 |
| Do. | 5½ | 1933 | 4.65 | 107.00 | 105.10 | 106.80 | 104.65 | 105.30 | 105.20 | 105.25 | 105.00 |
| Do. | 5½ | 1934 | 4.96 | 104.80 | 103.20 | 104.10 | 103.10 | 103.45 | 103.35 | 103.75 | 103.10 |
| Do. | 5½ | 1937 | 4.62 | 110.00 | 108.15 | 109.30 | 107.35 | 108.35 | 108.20 | 108.30 | 107.95 |
| Do. Refund | 5 | 1928 | 4.75 | 104.45 | 100.15 | 101.30 | 100.05 | 100.45 | 100.30 | 101.00 | 100.15 |
| Do. Refund | 4½ | 1940 | 4.88 | 97.25 | 92.00 | 96.70 | 95.60 | 96.05 | 95.95 | 96.30 | 95.60 |
| Do. Refund | 5 | 1943 | 4.85 | 102.95 | 101.15 | 102.20 | 101.15 | 102.00 | 101.90 | 102.20 | 101.40 |
| Do. Refund | 4½ | 1944 | 4.82 | 97.65 | 96.20 | 97.15 | 95.80 | 96.25 | 96.10 | 96.00 | 95 80 |
| Do. Refund | 4½ | 1946 | 4.78 | ..... | ...... | 96.25 | 95.65 | 95 90 | 95.80 | 96.25 | 96.05 |
| Do. Renewal | 5½ | 1927 | 4.85 | 102.95 | 100.80 | 101.95 | 100.35 | 100.90 | 10075 | 101.60 | 100.50 |
| Do. Renewal | 5½ | 1932 | 4.98 | 104.20 | 102.60 | 103.40 | 102.00 | 102.85 | 102.70 | 102.90 | 102.50 |

## WEEKLY RECORD OF CANADIAN FINANCING

| Place | Date | —Sold To— | Rate | Maturity | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Bond Sales— | | Municipal | | | | | |
| Calvert Township | June | Dyment, Anderson & Co. | 5% | 1956 | $10.000 | 99.10 | 5.05 |
| Donnacona, Que. | June | Credit Anglo-Francais | 5% | 5-yr. ser. | 11.500 | 98.56 | 5 49 |
| Sask. Districts | June | Houston, Willoughby & Co. | 5% | 1956 | 41,900 | 99.96 | 5.00 |
| | | Corporation | | | | | |
| Cawthra Apartments | June | W. A. Mackenzie & Co. | 7% | 1946 | $425.000 | 100 | 7.00 |
| Goodyear Cotton Co. | June | Duncanson, White & Co. | 6% | 1941 | 300.000 | ..... | .... |
| Fort William Paper Co. | June | Wood, Gundy & Co. and Syndicate | 6% | 1946 | 3,500,000 | 98½ | 6.13 |
| Stock Issues— | | | | | | | |
| Montreal Dry Ice Co. | June | Ryan, Grier & Hastings | 7% | Pref. | $550,000 | 100 | 7% |
| Caulder Creameries | June | Nay & James | 7% | Pref. | 200,000 | 10 | ... |
| Eastern Paper & Felt | June | G. S. Gourdeau & Co. | 7% | Pref. | 100,100 | 100 | 7% |

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# Insurance for Buyer and Seller

## Average Man Wants Service From His Insurance Broker

### He May Swear When He is Interrupted, But He Knows the Real Insurance Expert is Economically Necessary

It is still possible to divide life insurance agents into two large classes, the order takers who terminate their connection with you when they receive your premium cheque, and the men who keep a careful catalogue of you and bother you periodically. While you swear at these latter, when they happen in on a busy morning, you know in your heart that they are of value to the community—that they are rendering a distinct service—that they are economically necessary under present conditions of society. Why this is true is hard to explain, but it seems human to assume that we are going to live forever—to postpone the insurance matter just as we do the making of a will. Government statistics show that 4,000 die yearly in Ontario alone, leaving estates but no wills. What is still worse and still harder to explain is that thousands die all over Canada every year without having made any provision, at least any adequate provision, for their dependents. Evidently we need someone to come around and remind us that we have dependent wives or children, our professions of affection nothwithstanding. Otherwise our insurance companies would probably call in their agents and operate like a store or a bank.

Granted there is a service to be rendered by the insurance agent, what type of service does Mr. Averageman expect? Some agents make a practice of finding out how much protection a man carries, and then, regardless of the amount, proceed to show the prospect that he needs so much more. Is it impossible to have sufficient insurance? An agent often secures the confidence of his client by telling him he has sufficient life insurance, if he has, and is possibly in a better position to suggest something else, say a deferred annuity. Few laymen are thoroughly versed in the details of the various types of insurance. They need, and are anxious to get real education along these lines. The agent who shows that he can give this type of service is just as much in demand as the specialist in any other line. The writer purchased his first two policies from one of the leading Canadian companies, but has never since been approached by any representative of that company. Naturally, later policies have been placed with other companies. Probably no two need exactly the same insurance covering, and the agent who shows the best understanding of the individual case is very likely to get the business, other things being equal.

Just incidentally this understanding of the individual case is not usually shown by what has been called "backing the hearse up to the door." Every virile human is more interested in living than dying, and, and he can frequently be sold on future income, or the enjoyment of an annuity after he is sixty years of age, where he would not be sold on increasing his existing coverage merely on the protection argument.

## RISE IN PREMIUMS OF FIRE COMPANIES

### British and United States Firms Show Gain, But Smaller Canadian Business

A reduction of more than ten per cent. in the fire losses of Canada during 1925, in conjunction with increased premiums of fire companies of more than $1,193,344, during the year, shows a substantially improved position. The year shows an increase in the net amount of risk held by all fire companies in the Dominion, of more than $370,000,000. The aggregate increased from $7,224,475,267 in 1924 to $7,594,590,429 last year, and the premimum increase shown was apportioned between the three groups of operating companies thus:

| | | |
|---|---|---|
| British Companies, | increase of | $503,210 |
| United States " | " " | 699,441 |
| Canadian " | decrease of | 9,307 |
| Net Increase for Dominion | | $1,193,344 |

This involves a loss ratio of 52.90 as against one of 58.57 for 1924.

During the past year there have been licensed for the first time five United States, one Canadian and one British company. Two of these companies were licensed to carry on a fire insurance business in addition to the business for which they were already licensed. During the year also two companies ceased writing fire insurance. Canadian companies during the year showed a decrease in net premiums, of $9,307, the total being $6,700,387 in comparison with $6,709,694 the year before. The net amount of risk carried at the end of December last was $1,092,604,233, an increase of $38,461,479 over 1924.

On the other hand, both United States and British firms showed a gain. United State companies made a gain of $699,441 in premiums, from $19,571,944 in 1924, to $20,271,385 last year. The net amount at risk at the end of last year showed an increase of $204,215,676 as compared with the previous year. The totals were $1,054,142,754 and $1,092,604,233. British companies showed an increase in premiums of $503,539, from $23,552,080 to $24,055,619.

The net amount at risk at Dec. 31, 1925, showed an increase of $130,072,205, being $3,735,312,203, as against $3,605,339,998 at the end of 1924. The increase in amount at risk for the year 1925 showed an increase by Canadian companies of $38,461,479; by United States companies, $204,215,676, and by British companies, $130,072,205.

Results of the year 1925, compared with 1924, may be summarized as follows:

| | 1924 | 1925 |
|---|---|---|
| Net prem. writ. . | $49,833,718 | $51,027,062 |
| Net losses inc.. | 29,186,904 | 26,941,747 |

## Foresters and Workmen Merge Organizations

The merger of the Independent Order of Foresters and the Ancient Order of United Workmen was consummated by Ontario, by order-in-council May 21. Under the agreement, members of the latter society enter the Foresters upon a status of parity with the present members.

Some time ago the Ontario department of insurance made a survey of the operations of fraternal societies which disclosed the fact that, because of the lowness of the rates under which many of them were operating, they had worked themselves into a position which was not actuarially sound. Legislation was passed, accordingly, compelling an increase of rates such as would enable the associations to regain solvency, and with the enforcement of the increase, membership in some of the bodies fell off radically. As the expense of the fraternal organizations are met customarily by a per capita tax, the shrinkage in membership resulted in a corresponding increase in the burden upon those who were left within the associations.

To meet this situation, the Ontario Government passed enabling legislation in 1924 under which fraternal associations might, with the approval of the governor-in-council, unite in order to reduce the burden of overhead charges. The United Workmen are the first to take advantage of the legislation, having evolved a plan of merger with the Independent Order of Foresters, which is accepted by the government as being in the interests of all parties concerned.

In the last report of the superintendent of Insurance for Ontario, the A. O. of U. Workmen is credited with assets of $5,172,400, and liabilities of $5,052,000.

## Fair Increase Shown in Insurance Written

While April, 1926, does not compare so favorably with April, 1925, with regard to the volume of new business written in Canada, as did March, 1926, compared with March, 1925, nevertheless during April an increase of 4 per cent. in the total volume of business written is evident as compared with April last year, says the Life Underwriters' News.

The province of Ontario, which usually shows a very healthy increase month by month, this month shows a decrease of 3 per cent., compared with April last year. New Brunswick also shows an even greater decrease. Aside from these two provinces every other province shows an increase, the highest being Saskatchewan with 33 per cent., the next highest being British Columbia and Prince Edward Island, both with an increase of 15 per cent., and Manitoba with 14 per cent. Newfoundland shows an increase of 30 per cent.

A comparison of the first four months of 1926 with the same period of 1925 shows an increase of 12 per cent. Only one province, namely New Brunswick, shows a decrease for this period. The best city for April writing was Winnipeg with an increase of 24 per cent., while the best city for the first four months is Toronto with an increase of 21 per cent. The ratio of the last twelve months compared with the preceding twelve months shows the same increase as a comparison of the first four months of the year, namely, 12 per cent. In the United States the increase for April was the same as Canada, namely, 4 per cent., but the comparison of the first four months shows an increase of only 6 per cent. as compared with 12 per cent. in Canada.

## Can State Operate Industrial Insurance?

The following reference was made to the effectiveness of state operation of workmen's compensation in the prevention of industrial accidents, in the report of the Industrial Relations Committee to the annual meeting of the Canadian Manufacturers' Association:

With five compulsory state insurance systems of workmen's compensation in force in Canada it becomes increasingly clear that too much attention cannot be paid to the prevention of accidents. Under the present Canadian legislation, as is well known, the employer must pay compensation for practically every accident regardless of whether he is in any way responsible or not. This obviously means a heavy financial burden; and, therefore, in addition to the humanitarian, there is a direct financial reason for doing everything possible to reduce accidents. The charge is sometimes made by the private insurance companies that a compulsory state system is bound to fail in accident prevention because there is not the same direct incentive to reduce accidents as when the individual employer's rate is determined entirely by his individual accident record. Without admitting the charge it is well to remember that in a sense accident prevention is the "acid test" of the compulsory state insurance system. In other words, if the compulsory state system were to breed slackness in accident prevention, it might almost be pronounced a failure. The fact, however, is that the employers in the various provinces where compulsory state systems are in force have developed effective organizations for grappling with this problem, and are sparing no efforts to achieve results.

"I Can Carry My Own Risk More Cheaply"

Is this the reason why *you* haven't yet protected your book accounts? Why try to do on a *retail* scale what we are doing in a *wholesale* way, hence much more efficiently and economically? The truth is, you cannot possibly, under *any* circumstances, carry your own risk as cheaply as you can carry

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You may transfer part of your capital from one ledger page to another, and call it a reserve; but that money is still in your business, and should not be exposed to losses. If you lose this reserve, you lose part of the very profit and capital which we insure for you and also its earning power for all time to come.

Manufacturers and Wholesalers, let us explain *in detail* the workings of Credit Insurance along this line. Possibly we can bring to you a new thought—one which will save you some real money.

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The AMERICAN CREDIT INDEMNITY COMPANY
of New York —— J. F. McFadden, President

R. J. MULLEN, General Manager for Canada,
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Double the amount of the policy if you die by accidental means.
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That if extra profits are earned, you will receive them.
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Writing Fire Insurance at Cost. Assets $3,118,764.07.
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All policies dividend paying and non-assessable.

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HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

THE
Western Empire
Life Assurance Company
HEAD OFFICE
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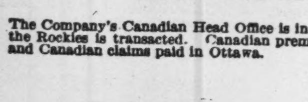
Winnipeg, Man.
*Branch Offices:*
SASKATOON EDMONTON
CALGARY VANCOUVER

THE MONARCH LIFE
IS A
GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

Metropolitan Life
Insurance Co.

The Company's Canadian Head Office is in Ottawa where its Canadian business east of the Rockies is transacted. Canadian premiums are received, Canadian policies issued and Canadian claims paid in Ottawa.



Canadian Head Office
Ottawa, Canada.

| | |
|---|---|
| Business Written in Canada in 1925....... | $165,123,047 |
| More than that of any other company. | |
| Insurance in force in Canada, end of 1925. | $633,544,780 |
| Largest amount in force in Canada in any company. | |
| Policies held by Canadians, end of 1925.. | 2,215,742 |
| Largest number in force in any company in Canada. | |
| Paid Canadian Policyholders in 1925...... | $ 8,540,178 |
| Investments in Canada, at end of 1925....... | $125,150,919 |
| Invested in Canadian Government and Municipal Bonds.. | $ 86,743,283 |

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BUT remember your insurance is one of the few arrangements that, after the giver's death, will be carried out exactly as the giver desired.

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OF CANADA
HEAD OFFICE : MONTREAL

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Organized 1874
TOTAL BENEFITS
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Policies Issued from $1,000 to $5,000
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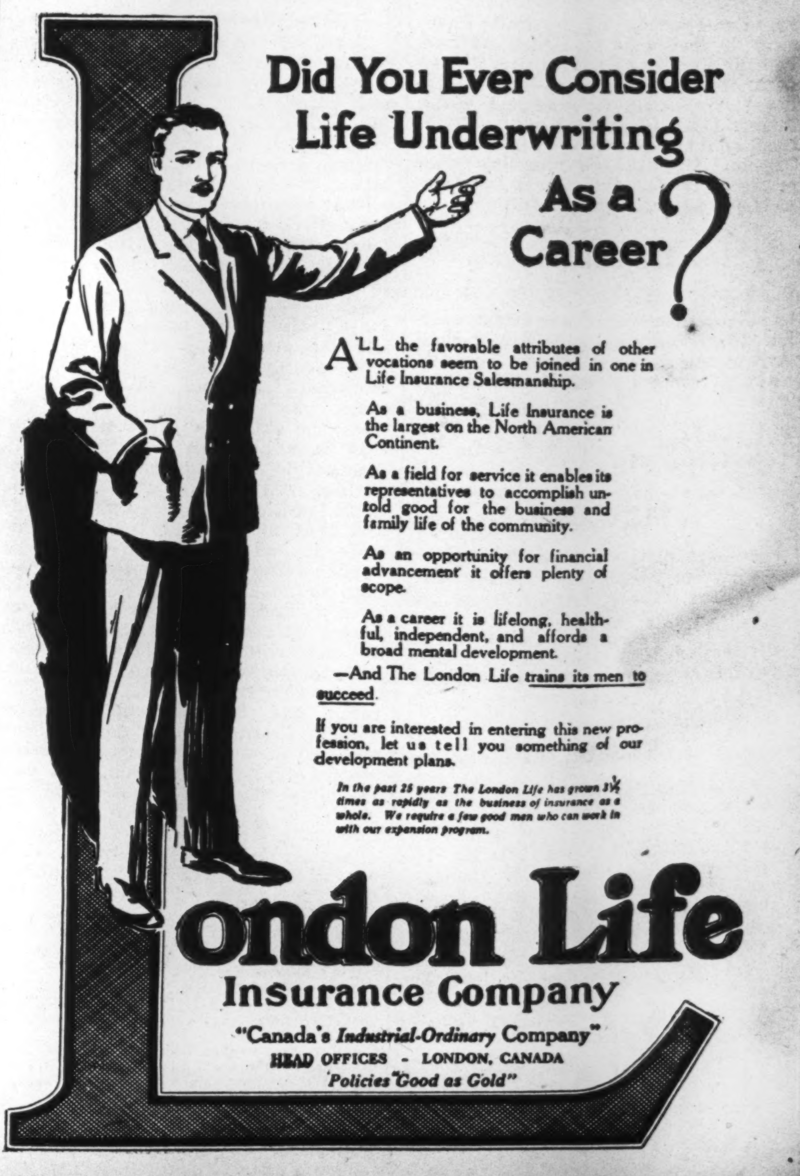
Ask your nearest Northern Life Agent about this attractive plan, or write our Home Office.
The NORTHERN LIFE ASSURANCE COMPANY OF CANADA
LONDON, ONTARIO — ESTABLISHED, 1897



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HEAD OFFICES - LONDON, CANADA
Policies "Good as Gold"

# Current Events in Banking World

## USING SAVINGS ACCOUNTS FOR CURRENT FUNDS

### Now a Junction Point Rather Than a Terminal in Investing

*The modern bank savings account is more of a junction point than a terminal in the money system of the average citizen. In other words, he uses his bank account for purposes of temporary accumulation rather than for investment. This is recognized by the banks. Some years ago managers were expected to do their best to discourage withdrawals. Nowadays the policy is not to discourage investments in securities, insurance, etc., but to induce customers to use their savings accounts for the accumulation of funds until such time as they are needed for more permanent purposes. And such has been the increase in the cash assets of the average citizen that the total of deposits to-day is several times what it was when so many people had their all in savings accounts.—J. W. T.*

*Los* Angeles.—The use of savings accounts to accumulate funds for the payment of taxes, insurance premiums, mortgages, and other future liabilities was urged by Herbert D. Ivey, vice-president of the Citizens National Bank, in an address before the convention of the California Bankers' Association. It is a recognized principle of accountancy to spread such payments over the entire year's operations through the setting up of suitable reserves, and in all well-managed business this is done. However, it frequently happens that professional people, those with independent means, and even business executives, do not manage their affairs on these principles and payments fall due without any provision having been made to meet them.

Mr. Ivey told the bankers that the matter was suggested to him by the fact that last year, on the day upon which taxes must be paid, he was approached again and again by people who wanted to borrow money to pay their taxes and save them from becoming delinquent. He wondered how many banks and branches in California were making loans in this way and for this purpose, and whether it was a sound form of banking credit.

He decided that it was not, for these two reasons: The first was the fact that these applications are always of an emergency nature. The banker is approached at the very last moment without time for consideration or investigation and must give his decision at once. If he declines the loan he makes an enemy, and if he grants it he has made a precedent that may prove embarrassing in the future.

The second reason is that the practice creates a crowd of little loans that eat up more expense in handling them than they bring in by way of profit. There is no objection to the small loan or the small account, if it is likely to grow into a bigger one, but bankers do not want an unnecessary multiplication of small transactions of this character. Most of the loans for emergency purposes are small and made to professional men, or to men making good salaries and commissions or possessed of independent income. Possibly 75 per cent. of the loans could have been avoided by ordinary foresight on the part of the borrowers.

It is one more aspect of the perpetual campaign that all bankers are engaged in, for the purpose of promoting thrift. The fact that so many people are careless in the management of their private financial affairs shows that the lesson of thrift is only half learned. If the doctor, the lawyer, the small capitalist, or the business executive, finds himself on tax day without a large enough balance to pay his taxes, where would he be if a really serious emergency came along?

Banks have already developed plans whereby definite amounts can be saved for Christmas, for vacations, travel and so on. Mr. Ivey would have them go a step further and encourage the spreading of tax payments, insurance premiums, mortgage payments, and so on, throughout the year, through a definite series of monthly or other periodic deposits, so that when the obligation falls due it will be properly provided for.

## Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CITIES

| | June 4 1925 | June 3 1926 |
|---|---|---|
| Halifax | $2,792,529 | $2,652,430 |
| St. John | 2,267,357 | 2,303,722 |
| Moncton | 668,688 | 699,845 |
| Quebec | 4,487,899 | 6,191,845 |
| Sherbrooke | 868,467 | 789,616 |
| Montreal | 85,558,610 | 101,959,574 |
| Ottawa | 5,907,020 | 5,509,132 |
| Kingston | 584,099 | 670,470 |
| Peterboro' | 669,961 | 669,524 |
| Toronto | 86,951,785 | 98,088,379 |
| Hamilton | 4,844,276 | 4,651,801 |
| Brantford | 966,995 | 904,980 |
| London | 2,724,741 | 2,149,573 |
| Kitchener | 861,077 | 904,693 |
| Chatham | ....... | 589,832 |
| Sarnia | ....... | 592,930 |
| Total, East | 200,153,504 | 229,328,346 |

WESTERN CITIES

| | June 4 1925 | June 3 1926 |
|---|---|---|
| Ft. William | $1,010,739 | $ 909,241 |
| Winnipeg | 42,605,438 | 45,240,200 |
| Brandon | 522,919 | 467,221 |
| Regina | 2,819,748 | 3,720,190 |
| Moose Jaw | 943,717 | 943,720 |
| Saskatoon | 1,321,401 | 1,743,667 |
| Lethbridge | 503,665 | 671,022 |
| Calgary | 5,111,172 | 4,992,900 |
| New Westminster | 672,663 | 679,877 |
| Vancouver | 15,684,214 | 14,195,818 |
| Victoria | 1,836,274 | 1,805,231 |
| Prince Albert | ....... | 313,909 |
| Total, West | $78,031,950 | $75,682,996 |

## Sees No Serious Menace in Instalment Paper

LOS ANGELES. — That the present volume of instalment paper actually outstanding is not alarming under the prosperous conditions recently prevailing and does not appear to constitute a menace to the national business or credit structure, is the conclusion reached by John E. Barber, vice-president, the First National Bank of Los Angeles, in a report upon instalment selling submitted by the economic council of the California Bankers' Association.

"Estimates of the total amount of instalment credit outstanding," said Mr. Barber, "range from three to eight billion dollars. However, some of these estimates have represented the full retail sales value of goods sold on the instalment plan and have thus failed to take into account a considerable down payment. Other estimates represent the amount of instalment paper created throughout the year, but fail to credit the steady monthly liquidation. Giving effect to the down payments and to the monthly liquidation, it is probable that the amount currently owed on instalment contracts does not average over 60 per cent. of the average estimate, of which approximately one-half represents automobiles.

"Although large in the aggregate, this sum is spread over all sections of the country and a great number of individual buyers, and when related to our national income of seventy billion dollars, our steadily increasing savings accounts and outstanding insurance, the high purchasing power of present wage scales and other pertinent factors, this total does not appear unduly burdensome or likely to strain the country's ability to pay."

### NO EARLY CHANGE IN U. S. BILLS

NEW YORK.—According to well posted bankers, there seems no likelihood of an immediate change in the size of United States currency.

The suggestion on the part of the treasury department that there would be considerable economy and much efficiency effected in reducing the size of our own bills to that in use in the Philippine Islands has not met with general approval at the banks.

## *Sir Joseph Asks Some Questions*

**From an address by Sir JOSEPH FLAVELLE before The Toronto Bankers' Educational Association.**

There are too many loans made by all the banks which are not repaid, or repaid in full. Is there here a preventable waste? If so, who or what will prevent the waste? Are credits continued beyond the period of reasonable safety to the bankers, and beyond the period of ultimate benefit to the borrowers? Should attention be given to the development of a more sensitive appreciation by managers of banks, of impending conditions, which should affect their interpretation of credits, at one period, as compared to another?

Have the safeguards of Section 88, and the security of personal guarantees and chattel mortgages, led bankers to rest unduly upon this class of security, and to be less concerned for safety in the character of the business, and capability in management? After all, whatever other qualities are possessed, we will agree—a test which a lender should meet is, that he will get back the money loaned, or so great a percentage of it, that his loaning operations will continue in a healthy condition. Do banking credits, therefore, furnish a subject for sustained study and enquiry, by the men in the field, who recommend and manage the loans, and the seniors who pass upon the credits at head office?

Is there waste in too many competitive branch banks in small places, which result in red, or insufficient black figures, for each of the competitors, without advantage to the communities thus over-banked?

Should the banks be subject to the harsh criticism, so frequently heard publicly, respecting their policies? If they should not, what has been done to correct misapprehensions? Have the bankers enquired whether they may have contributed somewhat to the misunderstanding?

Is there a staff situation in all the banks in Canada? I do not mean restlessness, leading to disloyalty, but restlessness occasioned by personal concern, with some impatience because of alleged injustice. Defalcations were of very rare occurrence until recent years. Are men wilfully living beyond their means, or foolishly going into speculation? The foundation for success in administrative operations of whatever character, is not primarily in buildings, merchandise, systems of operation, publicity, credits, or exchange, but in the men identified with the organizations—their personality, capacity, power, joy in their work, co-operative effort and team play of men who believe in one another, their chiefs, and their institution. Any set of conditions, real or fancied, which lowers the spirit of the men composing the staffs of our banks, is a fitting subject for early enquiry, that the truth may be known. Perhaps it would be found that too many were endeavoring to "keep up with the Joneses," and that their discomfort came from their own folly. Perhaps, after enquiry, it might be determined that men of distinctive merit should be specifically recognized, rather than included in an even advance in annual salary, according to a somewhat rigid schedule. Perhaps opportunity awaits the introduction of further measures of simplified practice.

I will not add further to these queries. I have made them in the hope that a serious bit of constructive work will be undertaken by this branch of the Bankers' Educational Association, and that some group of senior men here to-night will feel impelled to institute constructive enquiries into banking policies and practices in Canada.

### BANK MANAGER ADDRESSES THE STRATFORD ROTARIANS

STRATFORD.—"In the solution of our national problems, we must accept our individual responsibility and properly understand the problems of other sections," declared Reg. McCaul, manager of a branch of the Canadian Bank of Commerce, in speaking to the members of the Stratford Rotary Club on the subject, "Canadian Citizenship."

Mr. McCaul returned to Ontario from Western Canada only a few months ago, after spending several years there, and spoke largely on conditions in Western Canada.

## Many Bank Branches Closed During May

The Canadian chartered banks report the opening of five new branches during the month of May, and during the same period closed twenty-three branches. The Canadienne Nationale closed eight branches and the Provinciale seven. Following is a list of the branches opened and closed during the month:

**Opened**

**Commerce**—St. Henri, Montreal.

**Imperial**—Pine Ridge, Ont.

**Provinciale**—Ste. Julie de Vercheres, sub-agency to St. Hyacinthe.

**Toronto**—Dupont & Christie Sts., Toronto; Sunnybrook, Alta.

**Closed**

**Can. Nationale**—Gentilly; Lac-aux-Sables; N. D. de Louries; St. Ambroise; Ste. Julie de Vercheres; St. Timothee; Varennes; Vercheres, Que.

**Commerce**—Notre Dame & Princess, Winnipeg.

**Montreal**—Dalhousie & George Sts., Brantford; Court House Avenue, Brockville; 133 Dundas St., London; Convent Garden, (sub to 133 Dundas St., London); Herriott & Gore Sts., Perth.

**Provinciale**—St. Tite; Contrecoeur, (sub-agency to Vercheres); St. Vincent, (sub-agency to Ahunisic); St. Louis de Gonzague, (sub-agency to Valleyfield); St. Alexis de Moncalm (sub agency to L'Epiphanie); Quad des Eboulements, (sub agency to Baie St. Paul); Ile Bizari (sub-agency to St. Eustache).

**Royal**—Edmonton, Union Bank branch; Victoria, Union Bank branch.

## Staff Gossip

Wm. Ibbott, teller in the Standard Bank here, has been transferred to Calgary, Alta.—Standard, Markdale.

* * *

Charles Ferguson, of the staff of the Bank of Montreal, has been transferred from Bowmanville to Oshawa.—News, Pickering.

* * *

T. F. Moore, of the Bank of Commerce staff, left recently for the Innisfail branch, to which he has been transferred.—Times, Taber.

* * *

Wm. Lumsden, of Brantford, formerly of Forest, on the staff of the Standard Bank, has left Regina, where he has been transferred to the branch of the bank there.—Standard, Forest.

* * *

Mr. French, teller in the Bank of Commerce, has been transferred to a similar position at Meota. His place will be taken by Mr. James, of Ridgeville.—Gazette-Post-News, Carnduff.

* * *

Gordon R. Smith, a well known Forest boy, who has been with the Standard Bank for some years, has been appointed manager of the branch at Hussar, Alta.—Free Press, Forest.

* * *

H. McKee, manager of the Three Rivers branch of the Canadian Bank of Commerce has left for Montreal, where he has been appointed assistant-manager of the main office of the bank in that city. Mr. McKee is succeeded as manager by Mr. Sturgeon, who has been transferred from Ottawa, and who was formerly in charge of the bank's agency at St. Pierre-Miquelon.—St. Maurice Valley Chronicle, Three Rivers.

* * *

Glenn Broadfoot, who has been on the staff of the Dungannon branch of the Standard Bank for some time, has been transferred to Calgary, Mr. Summerfeldt of Tillsonburg, is being transferred to the Dungannon branch to take Mr. Broadfoot's place.—Times-Advocate, Exeter.

* * *

J. M. Clancy, recently appointed manager of the local branch of the Bank of Montreal, to succeed C. E. Freer, who is retiring, has arrived in the city from Calgary to take over his new duties. Prior to coming to Guelph, the new manager, who has had thirty years' banking experience, principally in the West, was inspector for the bank for its Alberta branches, a position which he had held for the last three years.—Mercury, Guelph.

## Bank Failures Are Still Continuing in Missouri

NEW YORK.—The closing of banks in northwestern Missouri, the total number being 27 since the first of the year, is the result of "congealed assets" and a belated result of the inflated conditions of 1920, according to bankers familiar with the conditions of country banks in Missouri.

During the last four years there have been 102 bank failures in that state.

### A SOFT-HEARTED BANKER

There was a bank manager who had been very successful in his profession, rising from one branch to another until at last he reached the position of manager at one of the main city offices of his bank. One day an impecunious-looking individual came in and recalled himself to the banker as one of his schoolboy chums of years ago. He congratulated the manager upon his success in life, recalled their boyhood days together, and then he proceeded to pour out a sad tale of woe regarding his own condition. He had financial misfortunes, not his own fault, of course, he had a large family, a sick wife, could not pay his rent, and he went from one hard-luck tale to another. The prosperous bank manager was visibly affected by the account of his boyhood friend's misfortunes, and, just as his visitor was about to spring the usual touch, he pressed a button, in response to which came a sturdy uniformed messenger. "Jones," said the banker to this factotum, "show this man out, he is simply breaking my heart."—The Caduceus.

M. MELACHRINO & Co.
CAIRO (EGYPT)

ORIGINAL
Melachrino
MO.45 CIGARETTES
"The One Cigarette Sold the World Over"

GLASS of all descriptions
*All kinds of flat glass available*
For immediate delivery and in large quantities.

Case goods, fancy glass, wire inlaid, leaded, plain, striped or prismatic, colored, church glass, etc.

*Also sole manufacturers*
NON-SHATTERABLE PERFECT VISION BULLET PROOF GLASS

PERFECTION GLASS COMPANY
201 Inspector St. LIMITED MONTREAL

TOURIST THIRD CABIN
$170 ROUND TRIP
AND UP.

Plymouth, Cherbourg, London, June 26th, July 10th, August 20th. Liverpool July 2nd, and 30th. Belfast and Glasgow June 25th, July 9th.

CANADIAN SERVICE
FROM MONTREAL

Cunard
ANCHOR-
DONALDSON LINE

*Particulars from*
The ROBERT REFORD CO.
Limited
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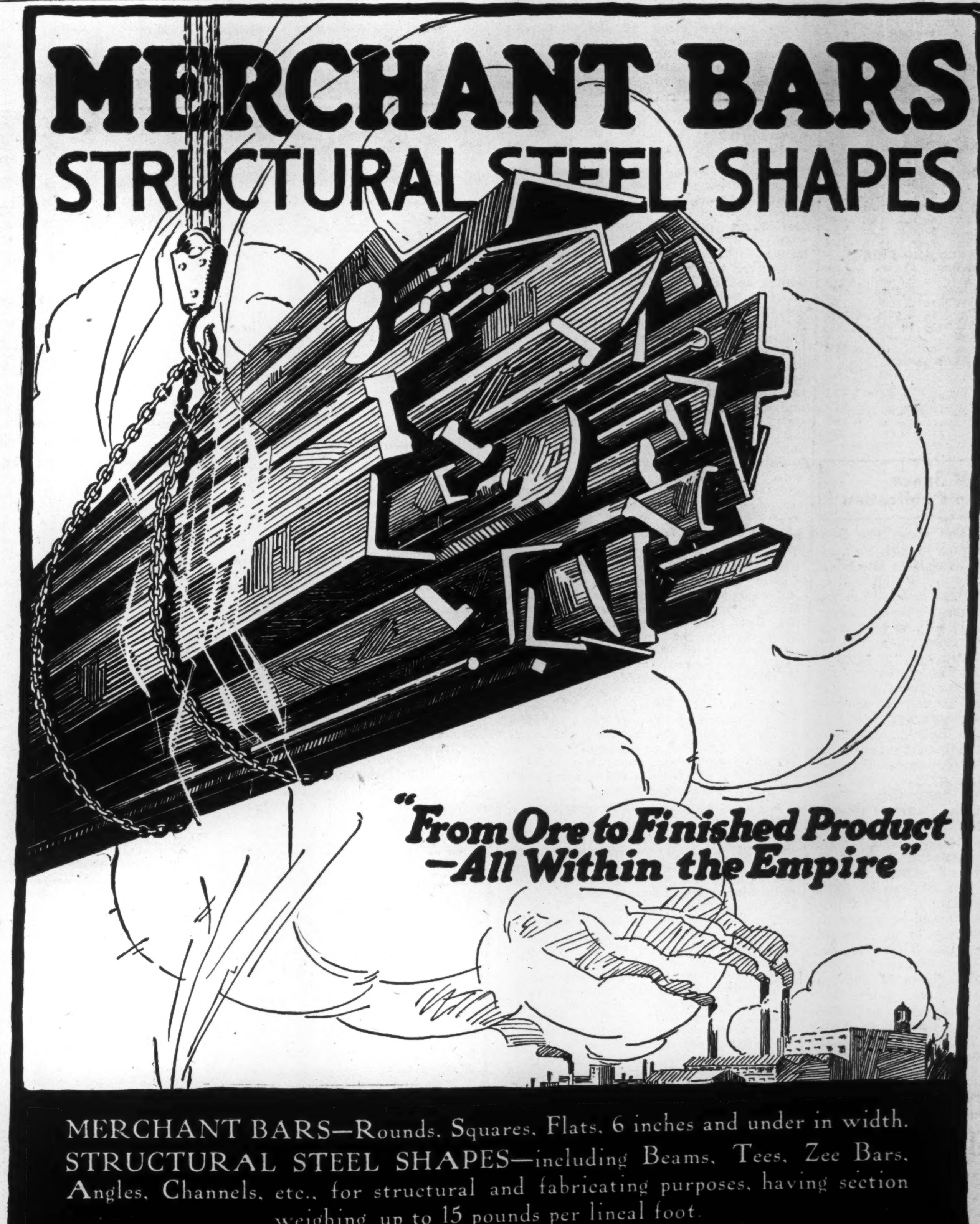
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MERCHANT BARS—Rounds. Squares. Flats. 6 inches and under in width.
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BRITISH EMPIRE STEEL
CORPORATION LIMITED
CANADA CEMENT BUILDING MONTREAL CANADA

# The Foreign Exchanges

Conducted by S. J ZACKS

The French franc again sagged this week, overshadowing all other exchange movements. Complications political and economic, have set in which make the situation a very crucial one. Lack of confidence on the part of the French public grows, and the present slump is said to have gained momentum if not actually initiated in France.

Several things might happen in France which would avoid disaster. A big problem is that of ratification of Berenger debt settlement reached at Washington, and at present held up by parliament. Finance Minister Peret has offered his resignation. Evidently his plans for saving the franc have failed. Peret has failed in his attempt to secure the gold reserves of the Bank of France, either as a basis of foreign credit or to involve them in exchange operations. In the meantime, half of the Morgan credits have been brought into service to help bolster the franc. It is clear that the present foreign credits are inadequate, and large foreign borrowings are necessary to save the situation. But these cannot be secured until the French parliament ratifies the Washington debt settlement scheme, which faces the French parliament.

One of the chief objections to the ratification of the scheme is that the payments during the first ten years are too heavy. France, it is claimed, will have considerable restoration and rehabilitation work to do which will cost over 15 milliards of francs, and, therefore, she should be exempt from heavy payment in the immediate future. Furthermore, these same minds point out, that for several months France has made a serious effort to balance her budget, and that on April 30, five months after an inflation of six millards of francs had been authorized, to help balance the budget in the event of shortage from taxes, there still were three milliards of francs untouched.

Another objection to the ratification of the Washington scheme is based, not on the necessity of raising of taxes to afford funds for the purposes of meeting American debt obligations, but that of meeting American dollar obligations. If America persists in her policy of self-sufficiency with a high tariff barrier, and if all the world continues her debtor, will not a new economic equilibrium have to be found?

U. S. funds and sterling continue steady, while the Belgian franc and Italian lire have moved in sympathy with the French franc. In the South Americans, milries at $.1560 touched the highest point gained in a number of years, which compares with a high of $.1530 reached Nov. 2, 1925. Activities in this exchange have been somewhat speculative on rumors of loan negotiations.

NEW YORK FUNDS

| | High | Low | Last Year High | Last Year Low |
|---|---|---|---|---|
| June 3 | .... | .... | .... | .... |
| June 4 | 5-64 | 5-64 | 1-64 | 1-64 |
| June 5 | 1-16 | 5-64 | 1-64 | 1-64 |
| June 7 | 3-64 | 5-64 | 1-64 | 1-64 |
| June 8 | 1-16 | 5-64 | 1-64 | 1-64 |
| June 9 | 1-16 | 5-64 | 1-64 | 1-64 |

STERLING, FRANCS AND LIRE

| | Sterling Close | Francs Close | Lire Close |
|---|---|---|---|
| June 3 | 4.86⅛ | 3.25¼ | 3.83¼ |
| June 4 | 4.86 5/16 | 3.05½ | 3.77¼ |
| June 5 | 4.86 5/16 | 3.07½ | 3.76¾ |
| June 7 | 4.86 3/16 | 3.00½ | 3.72¾ |
| June 8 | 4.86¼ | 3.01½ | 3.71½ |
| June 9 | 4.86 3/16 | 3.00¼ | 3.69¾ |

FOREIGN EXCHANGE

| Par- | | Close June 2 | Close June 9 |
|---|---|---|---|
| 19.30 | Italian | 3.83 | 3.71 |
| 23.82 | German | 23.79 | 23.81 |
| 32.45 | Brazil | 15.15 | 15.50 |
| 19.30 | Belgium | 3.21 | 3.70 |
| 94.85 | Japan | 47⅛ | 46.94 |

## Swindlers Sell Space in Fake Publication

NEW YORK.—For years the Better Business Bureaus of the country have been fighting frauds in the business directory field by which collections are made from business firms for space in reference books never published. Such collections are made usually by the presentation of an order for advertising bearing a genuine signature, but the signed instrument has been altered, from a receipt or an order for a free copy of a book, into an advertising contract.

The National Better Business Bureau recently helped to round up John Handley and James Harper, who were practising this kind of scheme in New York City. They were convicted in the Court of Special Sessions. The New York Bureau assisted in these investigations.

On Saturday, May 1st, another individual was arrested because of complaints made to this Bureau by firms which he had victimized. His publications were fictitious, and he presented a bill for advertisements in these directories, at the same time showing an order and a copy of the directory containing the advertisement The "directory," however, was a specially prepared book, and the advertisement was invariably printed on a slip sheet inserted in the front of the book, which sheet could be removed at will.

When selecting a Trust Company as an Executor, choose one whose fixed policy is to give

**Financial Assistance**

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**PAID UP CAPITAL AND RESERVE $1,259,430.36**

**The Imperial Canadian Trust Co.**

Executor, Administrator, Assignee, Trustee. Etc.

Head Office: Winnipeg

Branches: Saskatoon and Calgary

# Taschereau and King at Variance on Policy to Build Up Canada

The last report of the French Labor Department shows only 147 persons unemployed in the great city of Paris. Unemployment in all France is at a minimum.

There are more printers unemployed in the city of Toronto than the total of all classes of unemployed in the great city of Paris. There are more printers unemployed in the city of Montreal than the total of all classes of unemployed in the great city of Paris.

Rt. Hon. Mr. King, prime minister and general manager of Canada, said: "Don't," in effect, to two U. S. publishers, who proposed to put plants in Montreal to have the printing for Canadians done by Canadian workmen living in Canada. "It is not my policy to encourage the development of printing and literature in Canada." Moreover, he said, in effect: "If you should come in, there will be a sales tax on you, amounting to thousands of dollars, which we won't charge you so long as you do your work in the States."

If that were the policy of the great Liberal party, then all the unemployed in the printing, automobile, woollen, and similar industries would be well advised to move over the border. But is it? That kind of anti-Canadian policy would not last one month under a constructive Liberal like Hon. Mr. Taschereau, judging from his splendid business record in Quebec.

Le Canada, Liberal, disagrees with Mr. King's policy and supports the policy of Hon. Mr. Taschereau in regard to encouraging the investment of American capital in this province, saying:

"American capitalists have cast their eyes on our territory and find here opportunities for safe investments, knowing, thanks to the wise attitude of Premier Taschereau, that they cannot import into the United States one single horsepower of electricity. But, as Mr. Taschereau said, the city of New York was founded on British capital. Why, then, should not the province of Quebec profit from the considerable amount of capital that is, as it were, knocking at its doors, waiting for investment in the natural resources that we possess? The policy of the Taschereau government has permitted the establishment of such towns as Arvida, which ere long will house a considerable population. The province has everything that will provide for industries of all kinds. Why, then, not profit by the opportunities that present themselves? Why refuse American capital, which will enable our natural resources to be developed? The Prime Minister last week fully discussed the question before the electors of Montreal, and we are sure that the future will prove that the policy he has followed is justified."

What is Mr. King's objective?

## I. B. OF A. TAKES STAND AGAINST NO-VOTE STOCKS

(Continued from page 1)

Although it is conceded that the purchaser of a non-voting common stock knows exactly what he is buying and is satisfied, there remains the broader consideration of public policy. Is it not likely that the public good will be better served by prohibiting provisions which deprive some of the common stockholders of the right to vote? Until recently the right to vote has been considered an inalienable privilege and responsibility of common stock ownership. Does not a proper consideration of the public welfare necessitate the continuance of this privilege and responsibility?

2. Centralized control.

For non-voting common stocks: Large corporate undertakings are better managed by small groups whose control is not subject to the votes of a large body of widely scattered stockholders unfamiliar with the business. Permanency of control gives management a secure tenure and enables it to carry out definite policies. It is important for investors to know before they invest what the management is to be and what provisions have been made to continue such management. When the ownership of properties of great size changes hands and a large volume of stock is sold to the public, the question of management and its continuance assumes tremendously increased importance, and it cannot be satisfactorily answered by leaving the solution to a large body of widely scattered stockholders almost wholly unfamiliar with managerial problems. As a matter of fact the control of large corporations is now usually exercised by from 10 per cent. to 20 per cent. of the voting stock outstanding.

Against non-voting common stocks: Even though the practical control of large corporations is now actually exercised by a small proportion of the voting stock, the issuance of non-voting stock brings the control within still narrower limits and makes it a legal rather than a practical matter. If this is carried to the extent of enabling a select few with a small investment to direct the affairs of large corporations, there would follow the likelihood of indifference, the temptation to take undue risks, and the perpetuation of favored management regardless of ability—all of which would be inimical to efficient operation.

3. Public attitude with respect to non-voting common stocks.

For non-voting common stocks: In the final analysis the investing public rather than the investment banker passes upon the merit of a security and determines its market—including, of course, common stocks with the right to vote. However, in their appraisal of a security, investors obviously are little concerned with the voting privilege. They are much more concerned with the history of the corporation, the character of the management and the probability of successful managers continuing in office, than in their right as holders of common stock to exercise the voting privilege. In view of this indifference, why give to investors a right they do not care for, and a responsibility they will not assume?

Against non-voting common stocks: Even if investors generally are not now interested, as common stockholders in the voting privilege, the public good demands that they become interested and that means be taken to quicken their sense of responsibility in this respect. As financial participation on the part of the public in business undertakings increases, as it should increase, it is highly desirable for investors to be better informed in the principles of investment, and in the operation of business enterprises. The practice of issuing non-voting common stocks tends to retard the spread of investment knowledge and to lessen the incentive to acquire intelligent information as to the conduct of business affairs.

# UNCERTAINTY ABOUT MOTOR EXCISE TAX

### Progressive Opposition to Robb Amendment Proposing a Reduction

Special Correspondence.

OTTAWA: — The full significance of the proposed government amendment to the automobile excise tax act has not yet been deciphered. There is no little confusion over the 40 per cent.-made-in-Canada clause. It is hoped that a fuller interpretation of the clause will be available shortly. The proposal, in general terms, is to abolish the excise tax on domestic made automobiles of $1,200 value and under.

It soon became apparent that the Progressives were definitely against the amendment. A caucus was held early this week, and notice was served on Hon. James A. Robb that the amendment was looked on with decided disfavor by the party. Of course the Conservative vote would be sufficient to carry the proposal over the Progressive opposition. It is doubtful, however, if the Government will consider it advisable to force the issue in the fact of Progressive disfavor. It is understood that Mr. Robb has already threatened to drop the proposal.

It is the assumption of automobile men that the Canadian consumer would be benefited more than anyone else from the legislation, if passed. It is expected that the demand for Canadian-made cars valued at $1,200 and under will be considerably stimulated. The loss in revenue to the Government would not be a serious one. Last year's revenue amounted to less than $3,000,000, but th bulk of this year's sales have probably been already made, so that this year's revenue will not be greatly impaired in any case.

## Personals

HERBERT K. PATTERSON, formerly of Toronto and recently of Winnipeg, who has been appointed sales manager for Kelvinator of Canada, Ltd., with headquarters at London, has had extensive experience in the sales field. After leaving St. Andrew's College he went with the Canadian Northern Railway, but since 1905, he was associated with Miller and Richards printers' supplies of Toronto and Winnipeg. In 1908, he took charge of sales at Toronto and later was sent to Winnipeg where he acted as manager of their Western branches and he has since held this position at Winnipeg.

## Tisdall Estate is Very Largely in Mortgages

Under the will of the late Henry W. R. Tisdall, the Toronto General Trusts Corporation and John P. Tisdall, are named executors. An estate of $469,199 is divided among the widow, six children and Mrs. H. Bearisto, a sister.

The estate is made up as follows: real estate, $95,760; mortgages, $253,392; book debts and promissory notes, $12,526; life insurance, $3,000; cash on hand, $1,307; cash in bank, $10,560; bonds, $51,014; shares in H. W. Tisdall & Son, Limited, $39,840; sundries, $1,800.

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**Dominion Power and Transmission Co. Limited**

*Dividend No. 59.*

A Dividend of one and three-quarters per cent. (1¾%) on the Preference Stock of Dominion Power and Transmission Company, Limited, has been declared for the quarter ending June 30th, 1926, payable July 15th, 1926, to shareholders of record of June 23rd, 1926. By order of the Board,

GEORGE D. FEARMAN, Secretary.
Hamilton, Ont., 5th June, 1926.

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**WANTED**

Educated, resourceful man, with business experience, and tact, must be between ages 30 and 37. In good position now, but ambitious to improve standing. Unlimited opportunities for success open to the right man in a large life insurance Company. Remuneration, salary and commissions. Apply first by mail to Box 136, this paper. Confidential.

---

**The Toronto Mortgage Company**

Quarterly Dividend

Notice is hereby given that a Dividend of two and one-half per cent., being at the rate of ten per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current quarter, and that the same will be payable on and after

1st July, 1926

to shareholders of record on the books of the company at the close of business on 15th instant.

By order of the Board.

WALTER GILLESPIE,
Manager.

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## The Only Way

Halifax Herald.

In another place in this issue will be found details of a huge woodworking project, about to be launched in Ontario. This, The Financial Post declares, "is the result of the policy of the Ferguson Government in prohibiting the exportation of raw forest products."

With announcement after announcement of this nature coming out of other Canadian provinces, it is the height of folly to say that Nova Scotia cannot do the same. The people of this Province do not admit that they lack what others possess in courage, energy and resourcefulness; and they expect those in authority to give effect to the popular will in this regard. The steady and ever-growing stream of raw materials out of Nova Scotia must be checked: this Province must begin to conserve and develop its own resources, and thereby build up Nova Scotia and provide employment for Nova Scotians at home.

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**Automotive Credit Corporation, Limited**

Notice to Bondholders

Notice is hereby given that the regular half-yearly interest of three and one-quarter per cent. (3¼%), being at the rate of six and one-half per cent. (6½%) per annum, will be due and payable on July 1st, 1926, and coupons may be presented at the Offices of the Company, 190 St. James Street, Montreal, Quebec, or 1320 Metropolitan Building, Toronto, Ontario, on or after that date.

Registration and transfer books will be closed from June 15th to June 30th, 1926, both dates inclusive.

By order of the Board.

F. J. BASHFORTH, Secretary.
June 9th, 1926.

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**The International Nickel Co.**

A quarterly distribution of $.50 on the common stock has been declared this day, payable June 30, 1926, to Common stockholders of record at the close of business June 17, 1926.

JAMES L. ASHLEY, Sec'y. & Treas.
June 7, 1926, N.Y.

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**The Wabasso Cotton Company, Limited**

Dividend No. 34

Notice is hereby given that a quarterly Dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of the Company, for the quarter ending 30th June, 1926, payable on the 2nd of July, 1926, to Shareholders of record at the close of business on the 15th June, 1926.

By Order of the Board.

JAS. R. RITCHIE,
Secretary-Treasurer.
Montreal, May 13th, 1926.

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**International Paper Company**

New York, May 26th, 1926.

The Board of Directors have declared a regular quarterly dividend of one and three-quarters per cent. (1¾%) on the Cumulative 7 per cent. Preferred Stock of this Company, and a regular quarterly dividend of one and one-half per cent. (1½%) on the Cumulative 6 per cent. Preferred Stock of this Company, for the current quarter, payable July 15th, 1926, to holders of record at the close of business July 2nd, 1926. Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD, Treasurer.

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**THE TORONTO GENERAL TRUSTS CORPORATION**

Dividend No. 120

NOTICE is hereby given that a dividend of three per cent. (3%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending June 30th, 1926, being at the rate of

TWELVE PER CENT. PER ANNUM

and that the same will be payable on and after Friday, the Second Day of July, 1926. The Transfer Books of the Corporation will be closed from Wednesday, the 16th day of June, until Wednesday the 30th day of June, both days inclusive.

By order of the Board of Directors,
W. G. WATSON,
General Manager.
Toronto, June 1st, 1926.

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**Asbestos Corporation of Canada, Limited**

**Notice to Bondholders of Asbestos Corporation of Canada, Limited**

The holders of First Mortgage, Thirty Year, Five Per Cent. Sinking Fund Gold Coupon Bonds of Asbestos Corporation of Canada, Limited (Old Company Bonds) are hereby notified that Asbestos Corporation, Limited, offers to exchange such Bonds, with all unmatured coupons attached, respectively held by them, for an equal aggregate principal amount of First and Refunding Mortgage, Fifteen Year, Six Per Cent., Sinking Fund Gold Coupon Bonds of Asbestos Corporation, Limited (New Company Bonds) with all unmatured coupons attached.

The exchange will be effected, on and after July 1st, 1926, by The Royal Trust Company, 105 St. James Street, Montreal, P.Q., and Bondholders desiring to exchange are requested to forward to it their Bonds for this purpose. This right of exchange expires on November 1st, 1926.

If coupons due July 1st, 1926, are attached to the Old Company's Bonds surrendered, the New Company's Bonds will have coupons due July 1st, 1926, attached.

Dated at Montreal, this Fifth day of June, 1926.

ASBESTOS CORPORATION OF CANADA, LIMITED.
Per W. G. ROSS,
President.

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**The Mining Corporation of Canada, Limited**

DIVIDEND No. 22

The Directors of this Company have declared an Interim Dividend of 12½ cents per share, payable on July 15th, to shareholders of record on June 29th, 1926. The transfer books of the Company will be closed from the close of business on June 29th until the close of business on July 14th.

Dated at Toronto this 9th day of June, 1926, by Order of the Board.

G. C. AMES,
Secretary.

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**NOTICE**

**PORT ALFRED PULP & PAPER CORPORATION**

Notice is hereby given that a Quarterly Dividend of 1¾% (being at the rate of 7% per annum) on the 7% Cumulative Preferred Stock of this Corporation, for the Quarter ending June 15th, 1926, will be payable to shareholders of record June 8th, 1926.

By Order of the Board.

A. WAGNER,
Secretary.

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**Dominion Textile Company Limited**

NOTICE OF DIVIDEND

A Dividend of One and Three-quarters per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending June 30th, 1926, payable July 15th, to shareholders of record 30th June.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, June 2nd, 1926.

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**THE SHERWIN-WILLIAMS CO. of Canada, Limited**

Notice is hereby given that the 23rd quarterly dividend of one and a half per cent. (1½%), for quarter ending May 31st, 1926, on the Common Stock of this Company has been declared payable to shareholders of record the 15th day of June, 1926, and that cheques will be mailed June 30th, 1926.

By order of the Board.

D. A. WHITTAKER,
Secretary-Treasurer.

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**Dividend Notice**

**Canadian General Electric Company, Limited**

PREFERENCE DIVIDEND No. 65

Notice is hereby given that a Dividend of one and three-quarters per cent. for the quarter ending the 30th day of June, 1926, being at the rate of seven per cent. per annum, has been declared on the Preference Stock of the Company.

The above Dividend is payable on and after the first day of July, 1926, to Shareholders of record at the close of business on the 15th day of June, 1926.

By Order of the Board,
W. H. NESBITT,
Secretary.
Toronto, June 4, 1926.

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**Town of Barrie**

DEBENTURES FOR SALE

Tenders are invited for the purchase of $48,251.26 debentures of the Town of Barrie, to be dated July 1st, 1926, payable at the Bank of Toronto, Barrie, in fifteen annual instalments, with interest at five per cent. The debentures will be guaranteed by the County of Simcoe and are issued to defray cost of certain pavements in Barrie.

Tenders will be received by the undersigned up till 4 p.m. of the 21st day of June, 1926, subject to the following conditions:

1. Debentures are a direct liability on the Town at large and are unconditionally guaranteed by endorsement by the County of Simcoe.
2. The debentures will be issued in denominations to suit the purchaser, with coupons for interest attached.
3. Legal opinion of Mr. E. G. Long, K.C., will be supplied by the Town.
4. The highest or any tender not necessarily accepted.

A. W. SMITH,
Treasurer, Town of Barrie.
Barrie, June 9th, 1926.

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**The Dominion Bank**

Notice is hereby given that a Dividend of three per cent. upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1926, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Friday, the 2nd day of July, 1926, to shareholders of record of the 19th June, 1926.

By Order of the Board.

C. A. BOGERT,
General Manager.
Toronto, 27th May, 1926.

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**THE SHERWIN-WILLIAMS CO. of Canada, Limited**

Notice is hereby given that the 60th quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum for quarter ending May 31st, 1926, on the Preferred Stock of this Company has been declared payable to shareholders of record the 15th day of June, 1926, and that cheques will be mailed June 30th, 1926.

By order of the Board.

D. A. WHITTAKER,
Secretary-Treasurer.

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**Dominion Glass Company Limited**

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of June, 1926.

Notice is also hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of June, 1926.

The above dividends are payable on Friday, the 2nd day of July, 1926, to Shareholders of Record at the close of business Tuesday, the 15th day of June, 1926.

By Order of the Board.

MERVYN OFFER,
Comptroller and Secretary.
Montreal, 20th May, 1926.

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**$741,942.61**

**City of Ottawa Ontario**

**Debentures for Sale**

SEALED TENDERS addressed to the "Chairman of the Board of Control," and marked "Tender for Debentures," will be received by the Board's Secretary, City Hall, up to 2 P.M. (Standard Time), on Monday, June 21st, 1926, for the purchase of Debentures of the following amounts and terms:

| | |
|---|---|
| $318,246.70 | 10 years |
| 142,559.98 | 15 years |
| 241,135.93 | 20 years |
| 40,000.00 | 30 years |
| $741,942.61 | |

All Debentures bear interest at the rate of 5%, and are issued on the instalment plan. That is to say, each issue is repaid in such annual amounts that the aggregate amount paid for principal and interest in any year is equal as nearly as may be to the amount so payable for principal and interest in each of the other years. Each Debenture is, however, for a definite amount payable at the end of some year with interest coupons attached payable semi-annually. Interest is payable 1st January and 1st July.

The Debentures are an obligation of the City at large, are issued in coupon form, with provision for registration of principal, bear date 1st July, 1926, and are in denominations of $1,000.00, $500.00, and such odd amounts as are necessary.

Debentures will be delivered subject to the legal opinion of Long & Daly, Toronto, on this issue, a certificate of which will be printed on each Debenture. The City is paying for the legal opinion.

The Debentures are payable both in the United States and Canada.

Debentures will be paid at the branches of the Bank of Nova Scotia at Ottawa, Toronto and Montreal, and payable in the United States at the National Bank of Commerce, New York.

All tenders must be on the official form.

Tender Forms will be ready for delivery about June 7th, 1926.

Accrued interest from the 1st July, 1926, must be paid in addition to the price tendered. The Debentures date from July 1st, 1926.

Tenders specifying for Debentures other than those herein described, or containing conditions varying from the above, will not be considered.

Delivery of the Debentures will be made in Ottawa about August 2nd, 1926, upon payment of the purchase money.

A certified cheque payable to the City Treasurer for the sum of $10,000.00 must accompany the tender.

The highest or any tender not necessarily accepted.

Full particulars, together with further conditions and official forms of tender, can be obtained on application to the City Treasurer, City Hall, Ottawa, Ont.

JOHN P. BALHARRIE,
Mayor.

# Will Confederation Last if Tariff Paring Continued?

## Retiring President Fortier Seriously Discusses the National Problems of the Day at the Annual Meeting of the C. M. A.

By J. H. FORTIER.

REPORTS reaching the association from various parts of Canada during the past few months, on the whole, express disappointment that business conditions are not fulfilling the expectations entertained earlier in the year.

During the autumn months and December and January, improvements in a number of departments of national activity was evident, but in February and March a reaction set in, many factories went on short time, and the present outlook for industry and business, while retaining some encouraging features, is not nearly as satisfactory as anticipated.

Part of our present industrial production is not remunerative. Too many factories are operating without profit, after allowing for operating charges, heavy taxes, and depreciation. Too much business is being done merely to maintain staffs and to keep in the race. Present prices of many commodities do not yield sufficient profit to maintain the industries in a healthy condition and to lay aside necessary reserves for new machinery, buildings and equipment. Many buyers in Canada think only of cheapness and not of quality. They are so preoccupied with prices that they forget standards and values. This does not encourage craftsmanship nor the best business methods.

### Better for Farmers

During the past year, railway earnings show an encouraging increase; building permits reached a higher aggregate; bank clearings rose until January and declined afterward; iron and steel production decreased steadily from last summer until April; bank deposits have been growing monthly, but current loans have been decreasing, indicating that money is piling up in the banks and is being loaned in less amounts to business.

Conditions have improved in agriculture, due largely to successive good crops. The value of the field crops in 1925 was $1,153,000,000, as against $995,000,000 in 1924, and $900,000,000 in 1923. The improved prices for farm products have enabled farmers to pay their debts and to buy more manufactured goods.

During the past year, as in several preceding years, there was a continued revival of international trade, following the slow but steady recovery of most countries from the war. As a result, the demand from *other* countries for Canadian products, including primary, partly manufactured and fully manufactured, has been increasing, a fact reflected in the statistics of our export trade.

In view of these favorable international factors, greater agricultural purchasing power in Canada, and the adjacent prosperity of the United States, it seems strange that Canada, although intermittent flashes of improvement are visible, is not recovering more rapidly from post war depression. Canada usually follows a few months behind the United States in upward or downward economic movements, but, although the United States has enjoyed four or five years of remarkable prosperity, the greatest in her history, this period passed without much prosperity in Canada.

### Taxation the Handicap

Canadian industry is still bent double under the burden of taxation. This association, through its Special Committee of Taxation, recommended that the Dominion government abolish the sales tax, the stamp taxes, the excise taxes on manufactured articles and reduce personal and corporation income taxes. The government is to be commended for repealing the tax on receipts, for reducing personal income taxes and for reducing the corporation income tax from 10½ to 9 per cent. Unfortunately, these reductions benefit industry and business generally very little. On the other hand, the most unsound tax of all, the sales tax, remains in force with some insignificant alterations. The stamp taxes on cheques, drafts and other commercial documents remain, and the heavy excise luxury taxes on certain manufactured articles are unchanged. Dividends paid by manufacturing companies, already assessed in corporation taxes, now must pay a second time in personal incomes. Consequently, the general effect of the taxation measures of the recent budget is to increase the burden of taxes on industry instead of lightening it. This is particularly regrettable in this country, which needs new capital for industrial enterprises, particularly those which will develop natural resources.

Dominion, provincial and municipal taxes take every year one-quarter of the value of the net production and about one-seventh of the value of the gross production of the country. It is estimated that they take about one-half of our national surplus. The Dominion, provincial and municipal debts have been growing steadily since the war, and have reached enormous proportions. Apart from war debt, this situation has arisen to a very considerable degree from extravagance. Apparently, Canadians want to live on the scale of the United States. Our public buildings, hotels, railways, roads and public services are modeled on theirs, but we forget tha we have not Uncle Sam's pocket book. Canada resembles a man with five thousand a year trying to live like his neighbor with fifty thousand a year. The inevitable happened—we got into debt and then went to the United States to borrow at a good rate of interest. The United States is liquidating its national debt at the rate of ne billion dollars a year, and plans to pay it all off in twenty years. What hope is there of Canada paying off her debt in twenty years? Since the war, it has been steadily increasing. Considering operating expenses and interest charges against income for the fiscal year 1925-26, we are glad to see that Canada shows a balance of $33,000,000 on the right side, and an estimated decrease of $22,000,000 in national debt. But when the advances to the Canadian National Railways are included, our national budget has come within millions of dollars of balancing since the war. For practical purposes these advances must be considered as part of the national obligations. This view was expressed by the Hon. Mr. Robb, Minister of Finance, in his budget speech in the House of Commons on April 15th, as follows:

"Our total payments in respect of these railway corporations now reach $601,000,000, actual cash outlay charged to our national debt. This is exclusive of accumulated interest charges, as well as the capital cost of the original Canadian Government Railways."

Most of the provinces and municipalities are not making much progress in reducing their debts, and, on the other hand, many of them are planning new borrowing.

### Passing the Buck

Unfortunately, too many people think that others pay the taxes. This is a delusion, because it is based on the theory that people who are exempt from taxation, in the sense that they do not actually hand money to the tax-collector, are not affected by public expenditures. Taxation is so much national overhead expense, written into the cost of food, clothing, shelter, light, heat, traveling, transportation, communication, and everything else that is bought and sold and every service that is provided. When a man gets into debt he can only get out again by spending less and making more, and Canadians can get free of debt only by cutting down expenses, doing without luxuries, many of which are regarded as necessities, and by increasing the sale of their products to other countries.

During the year ending March 31st, 1926, Canada exported goods to the value of $1,330,000,000, and imported goods to the value of $927,000,000, leaving what is commonly called a "trade balance" of over $402,000,000. Items in the invisible balance, such as interest on Dominion, provincial and municipal debts and dividends on stocks and bonds held abroad, do not appear in this. Nevertheless, the fact that we are selling more than we buy is encouraging. In the present condition of national finance, it is also fortunate. But, before we congratulate ourselves too much, we should examine closely the nature of the exports. Wood, wood products and paper account for $278,000,000, non-ferrous metals and products, $98,000,000 and non-metallic metals and products, $25,000,000. The exports of asbestos are approximately $10,000,000, nearly all to the United States. That country has built up a great industry, based chiefly on our raw asbestos. It is estimated that the factories of the United States will make out of the raw asbestos received from Canada last year, manufactured products worth nearly $100,000,000.

### Sell Finished Products Only

While it is admitted that a new country must sell a portion of its resources in the raw state, it is of the utmost importance to develop through various processes these raw materials into finished products as soon as possible in order that the additional employment, investment and profits may be secured for our own people.

The Canadian National Railways, according to the Hon. Mr. Robb's estimate will show a net operating surplus of $33,000,000 for the fiscal year 1925-26. This, of course, does not take into consideration any interest charges on capital invested or deficits. Nevertheless, it is a good showing, so far as operation is concerned, and those responsible for it are to be congratulated. While two successive good crops assisted materially in producing this result, it is encouraging to speculate what might be secured if Canada were really prosperous in all departments and had two or three million more poulation. Under such conditions, and with careful management, the Canadian National Railways should change from a liability into a valuable asset. The real solution of our railway troubles lies in the expansion of production, the growth of population and the consequent increase in freight and passenger traffic.

### Need for Immigrants

Inseparably linked with our transportation difficulties is the question of immigration. With a steadily declining birth-rate in all provinces except Quebec, immigration becomes doubly important. It is therefore gratifying to know that there is close co-operation between the Department of Immigration and Colonization and our two great railway systems, all working in harmony to bring about an increase in the inflow of desirable population. Reports from the government state that the Robb 3,000 Family Scheme is proving very effective. This is a joint effort of the British government and the Canadian government to transplant 3,000 British agricultural families to Canada in a period of three years. The first families, approximating five hundred, arrived last year under arrangement. The result of this movement has been so successful that the placement this year will be over 1,000 families.

A special impetus has also been given to the movement from the British Isles by an arrangement for a very low ocean transportation rate to Britishers coming for farm settlement, farm workers and domestic servants. This arrangement differs from those which preceded it by the introduction of the principle of reducing the cost of passage to the migrant rather than loaning money to be paid back out of wages earned in Canada. The ordinary passage rate from a port in the British Isles to Winnipeg, third class ocean and colonist rail, is £23,19.2, and under the present arrangement the migrant pays only £5.10.0. This is possible because of contribution made by the British government and the Canadian government with a certain rebate by the steamship companies. There appears good ground for the hope that this greatly reduced fare will result in a marked increase of suitable settlers.

### Protection in Public Interest

It is a matter of profound regret that the policy of reducing the Canadian customs tariff has been continued during the present session of parliament. The country was led to believe that there would be no further tariff changes without investigation, but like a bolt from the blue, a serious blow was dealt to the great automobile and motor truck industry, and to nearly a thousand other manufacturers who furnish it with material, parts and supplies. Directly and indirectly, this industry supports about one hundred thousand people and brought into Canada last year the immense sum of $107,000,000. It had built up a great export trade which was on the eve of further expansion. Prices could have been lowered without disturbing the industry or causing unemployment if the government had removed the excise and the sales taxes which it collects on motor cars. It is evident that the government did not realize at first the extent of the injury that would result, and we appreciate the attempts made to repair it to some extent in the amendments to the budget. It was also a relief that the government did not try to mend the situation by making further reductions on parts and materials that are made in Canada. By removing the duties on parts that are not made in Canada some compensation was given to the industry, but these concessions only partly counteract the reductions in duties. They cannot restore the business lost through the disturbance of the industry at the height of its short season. Trying to remedy the damage done through tariff reductions by making further

(Continued on page 20)

## The New President of the C.M.A.

J. M. TAYLOR.

J. M. Taylor, the new president of the Canadian Manufacturers' Association, is still a young man at 58 to judge by the energy he puts into his various activities. We venture the guess that he has small intention of retiring at sixty—the age at which some leaders drop out. As president and general manager of the Taylor-Forbes Co., he is an outstanding captain of industry and the company of which he is head is in a large extent, the result of his own enterprise and application.

Born in Belfast in 1868, he came to Canada in his childhood and at the age of twelve he started work for the James Morrison Brass Co., Toronto, of which concern he was made sales manager eight years later. At that time in 1888 the Dominion Radiator Co., Ltd., was just starting operations and young Taylor was given the position of general manager. He remained until 1892 when the opportunity offered of securing a business of his own. A. R. Woodyatt, of A. R. Woodyatt & Co., Guelph, wished to retire on account of ill health.

With George Forbes, of Hespeler, Mr. Taylor bought the business and organized the present Taylor-Forbes Co., Ltd., with himself as president and general manager. At that time the plant was a small foundry, employing 78 hands. To-day between five and six hundred are employed and the factory has been enlarged to four times its original size. The company now makes 1,400 different kinds of hardware, is third largest manufacturer of heating devices in Canada, and has one of the largest lawnmower factories in the country.

Mr. Taylor has been a member of the C. M. A. since 1888 and has served on every committee, and with the exception of one year, when the direction of an enormous output of munitions absorbed all his time, he has been on the executive council continuously.

# MANUFACTURERS' RANKS THINNED BY DEPRESSION

## The Effects Are Seen in the Membership of the C. M. A.

During the past year ending April, 307 new members joined the Canadian Manufacturers' Association; 275 memberships were cancelled; leaving a net increase for the year of 32 and a total membership of 4,157. The summary by divisions is as follows:

| Divisions | Applications | Cancellations |
|---|---|---|
| Ontario | 106 | 152 |
| Quebec | 33 | 46 |
| Maritime | 15 | 23 |
| Prairie | 85 | 40 |
| British Columbia | 68 | 14 |
| | 307 | 275 |

The reasons given for cancellations of membership are classified as follows:

| | |
|---|---|
| Out of business | 37 |
| Non-payment of fees | 38 |
| Amalgamation of firms | 17 |
| Additional representatives no longer required | 44 |
| Not able to pay fees owing to trade conditions | 96 |
| In liquidation or not operating | 43 |
| | 275 |

Included in the cancellations are many firms, particularly in Ontario, Quebec and the Maritime Provinces, that were forced to resign owing to failure arising out of business conditions. Among these were some of the oldest manufacturing firms in Canada.

### Growth in the West

The growth of the association's membership in the four western provinces is one of the most encouraging features of this report. In 1900 the association had no members west of the Great Lakes; in 1910 there were 236; now there are 908. In 1916 there were 289 members in the three Prairie Provinces of Alberta, Saskatchewan and Manitoba; now there are 528. When the Edmonton office was opened in September, 1923, there were 88 members in Alberta; now there are 195. There were 65 members in British Columbia in 1916; now there are 380.

### Effects of Depression

The depressed conditions in industry during the past few years have taken a very heavy toll of manufacturers who were members of the association. The story is told in the following summary of applications and cancellations of memberships in the association during the seven years beginning May, 1919:

| Year ending April 30th | Applications | Cancellations |
|---|---|---|
| 1920 | 662 | 131 |
| 1921 | 447 | 277 |
| 1922 | 452 | 411 |
| 1923 | 439 | 423 |
| 1924 | 435 | 667 |
| 1925 | 362 | 293 |
| 1926 | 307 | 275 |
| | 3104 | 2477 |

### The Treasurer's Report

The treasurer's report has shown that the total revenue of the association for the year for membership fees was $200,271, and that the cost of operation was $208,242, leaving a deficit of $7,970. Against this is set the profit from "Industrial Canada" $2,451; profit from the "Canadian Trade Index" $2,056; and interest from investments $6,872; leaving a net surplus of $3,409.

# EIGHT-HOUR DAY IS NOT FEASIBLE YET FOR CANADA

## British Columbia Passes Act But Makes Many Exceptions

Dealing with eight hour day legislation, the Industrial Relations Committee of the Canadian Manufacturers' Association points out that none of the chief industrial countries have so far ratified the eight hour day convention passed at Washington in 1919. Last March there was convened in London a conference of representatives of Great Britain, France, Germany, Italy and Belgium to endeavor to agree on the meaning of various controversial points with a view to the ratification of the convention. It is reported that substantial agreement was reached and that these countries will probably proceed without delay to pass ratification legislation. So far as Canada is concerned the committee adds:

Your committee feels that no matter what the industrial countries of Europe may do, it is impossible for the employers of Canada to modify in any way the attitude they have always adopted of opposition to compulsory eight-hour-day legislation, if for no other reason than that the United States shows no sign of adopting such a principle.

The situation in Canada with regard to hours of work is that no province except British Columbia has seen fit to pass such legislation; and in British Columbia it has been found necessary to allow so many exceptions that the law is largely inoperative.

At the past session of the Alberta legislature an eight-hour-day clause was inserted in a new consolidated Factories Act. Our Alberta members having decided to oppose this to the utmost, and having asked the association for assistance, your committee sent its secretary to Alberta to give all possible assistance. A strong delegation waited on the government, the heads of the United Farmers of Alberta, and members of the legislature, were thoroughly canvassed, a radio address was given, the co-operation of other business organizations was enlisted; and in the result the eight-hour-day clause was struck out of the bill, and, instead, a commission was set up to study the whole question of eight-hour-day legislation as it would affect Alberta.

Your committee feels that there could hardly be a better example than Alberta of a community that should, and, indeed, must avoid arbitrary restriction of working hours. At present predominantly agricultural, it aspires to become industrial; and in the view of your committee it cannot be the one or become the other if hours of work are to be arbitrarily restricted by eight-hour-day legislation. If it is retorted that the law would not apply to agriculture, the answer is that the result would be: (1) to draw men from the country to the towns, and (2) to increase the cost of goods to the farmer; and industrial employment in the towns would fail to thrive for want of the capital that was frightened away by the handicap of arbitrarily-restricted hours of work.

Herbert Tareyton
London Cigarettes

"There's something about them you'll like"
20 for 35¢
T 35

For your Pipe Herbert Tareyton LONDON SMOKING MIXTURE

GYPROC
FIREPROOF
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Solid Rock
—that saws and nails like lumber

GYPROC is a sheet of solid rock, ⅜" thick, 32" and 48" wide and 4 feet to 10 feet long—yet it is light, flexible and easy to handle.

It can be nailed and sawed as easily as lumber — unlike lumber, however, it contains all the properties of rock. Unaffected by heat, cold or dampness, it will not shrink, check or warp. Actually Gyproc is pure Gypsum plaster cast in sections. It can be applied by any one who can drive a nail squarely or saw to a line. Its simplicity in no way lessens its value.

*Trim without delay. Gyproc does not have to dry*

Gyproc is a ready-made wall ready for application. Each sheet has bevelled edges so that every section joins the other perfectly. There is no muss or dirt in handling it—no lath are needed—nail it right to the studs or joists. No plaster to dry, your trimmings can be put on immediately and it's ready for alabastine, paper, paint or panels as the case may be.

**Fireproof**—Gyproc walls will not burn. If your outside is fireproof, isn't the interior more important? Gyproc is an absolutely fireproof wallboard. Made in Canada.

**Perfect Insulation**—Gyproc is a non-conductor, it effectively resists heat and cold and actually saves at least 25% on your fuel bill.

Ask your builder's supply or lumber dealer for further information or write us direct.

THE ONTARIO GYPSUM CO., LIMITED, PARIS, ONTARIO

GYPROC
Fireproof Wallboard

*Why build to burn? Gyproc does away with inflammable wood-lined walls, roofs, ceilings and partitions*

# News of the Mines: *A Department for Executives and Investors*

**Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.**

## CANADIAN LORRAIN STRONGER: ANNUAL MEETING NEXT WEEK

### Not Much Live News of Week, Yet Price Changes Were Many

The mining market during the week has acted rather peculiarly. Some stocks are up and others down and yet there is little or no information available that would seemingly justify much action either way. Canadian Lorrain has shown considerable strength. This is doubtless due to the approach of the annual meeting next week. Work on the construction of a mill has been launched and by the end of the year the company will be on a producing basis.

Capital has been firm around 36, having strengthened early in the week. An announcement in regard the development plans of the company is not far off and should be of considerable importance to the Gowganda camp. Castle has been steady around 136. This stock is regarded as cheap by many, in as much as the mine has the largest ore reserves of any silver mine in the north.

Millcrest, another silver operation in Gowganda has shown marked weakness, selling down to below 10, a new low level. This property is regarded as having a very excellent chance.

### Two Strong Markets

Wetlauffer shares strengthened on the report that Huronian Belt interests might take the property over. Dome is a little weaked, selling back to $13.75. Bourlamaque touched $10, a new high for these shares and double the par value. At the same time Amulet moved up quickly to $1.30. As one broker pointed out the market on these last two stocks is about the nicest of any on the mining board. There is always a ready market for the stocks.

Latest information about Teck Hughes is that the pool which was to have been abandoned recently by those who accepted stock for the bonds held, has been renewed for another period. The question which everyone will ask is "Why?" The mine is on a sound producing and dividend paying basis. This should be sufficient to take care of the stock. If there were any plans to manipulate the stock, one could see some reason for retaining the pool. Teck Hughes this week broke 10 points to 354 and later strengthened a little. Kirkland Lake shares weakened a little, but many take this as being preliminary to a rise in this market. The time is not far off when some announcement as to the date of milling operations should be forthcoming.

Hollinger, Noranda and McIntyre shares are standing up strong and holding their price levels. There is little news coming out about either but there are possibilities of news on either any day.

### NEW QUEBEC COMPANY

Marclay Mines has been incorporated to take over a group of mining claims in Boischatel Tp., Quebec. Boischatel has come into prominence of late and the claims secured by this company are said to be in the neighbourhood of the Alterson-Mackay holdings, and were staked last year by Tommy Powell, who made the discovery that started the big Quebec rush. W. J. Wright Co. are handling the affairs of the company.

### MINING STOCK QUOTATIONS

Week Ending June 8

| | High for wk. | Low for wk. | Close June 8 | Close June 1 | Sales for wk. |
|---|---|---|---|---|---|
| Amulet | 1.29 | 1.15 | 1.25 | 1.19 | 49355 |
| Apex | 3½ | 3 | 3 | 3 | 7500 |
| Area | 25½ | 25 | 25 | 24½ | 6100 |
| Argo. Cons. | 24 | 22¼ | 22¼ | 24½ | 23400 |
| Atlas | 2¼ | 2 | 2¼ | 2½ | 3000 |
| Baldwin | 1¾ | 1¼ | 1½ | 1¼ | 11000 |
| Barry Holl. | 46¾ | 45 | 46¼ | 46½ | 46900 |
| Beaver | 75 | 72 | 72 | 76 | 9500 |
| Bidgood | 6 | 5 | 6 | 4⅞ | 8500 |
| Boston Creek | 2½ | 2½ | 2½ | 2½ | 11000 |
| Bourlamaque | 9.93 | 9.80 | 9.85 | 9.90 | 4070 |
| Buckingham | 3 | 3 | 3 | 3 | 2000 |
| Can. Lorrain | 85 | 83 | 84½ | 85 | 11625 |
| Capitol | 38 | 32 | 37 | 33 | 41050 |
| Castle Tre. | 1.39 | 1.36 | 1.37 | 1.38 | 13545 |
| Chaput H. | 9¼ | 8 | 8½ | 9 | 3000 |
| Clifton | 2¼ | 2 | 2 | 1⅝ | 3000 |
| Coniagas | 3.40 | 3.25 | 3.40 | 3.30 | 335 |
| Col. Kirkland | 3 | 2½ | 2⅝ | 3 | 14000 |
| Cons. Smelters | 220 | 208 | 216 | 211 | 19810 |
| Cons. W. Dome | 15 | 14½ | 14⅝ | 14½ | 14735 |
| Crown Res. | 12 | 11 | 12 | 10½ | 9300 |
| Davidson C. | 2 | 2 | 2 | 2 | 10000 |
| Dome Mines | 14.35 | 13.75 | 13.85 | 14.25 | 3215 |
| Everett | 7 | 6½ | 6¾ | 7 | 4500 |
| Gold Hill | 50 | 42 | 49 | 39½ | 64102 |
| Goldale | 27½ | 26 | 27 | 27 | 5250 |
| Gold Reef | 2 | 1¾ | 2 | 2 | 21500 |
| Gladstone | 35 | 35 | 35 | 33 | 2000 |
| Dupuy | 34 | 31 | 31½ | 30 | 12080 |
| Don Rouyn | 35 | 35 | 35 | 35 | 8500 |
| Hollinger | 19.35 | 19.20 | 19.25 | 19.25 | 2095 |
| Kirk Hunton | 18 | 16½ | 17 | 17 | 8500 |
| Indian | 6 | 5 | 6½ | 5 | 4500 |
| Inter. Nickel c. | 36½ | 35¼ | 36¼ | 35⅝ | 1090 |
| Keeley | 1.51 | 1.46 | 1.47 | 1.50 | 7100 |
| Keora | 6¼ | 5⅛ | 5⅞ | 6¼ | 37500 |
| Kirk. Lake | 1.17 | 1.11 | 1.12 | 1.18 | 32205 |
| Lakeside | 4½ | 3¾ | 4¼ | 4¼ | 32000 |
| Lake Shore | 11.50 | 11.30 | 11.30 | 11.35 | 4105 |
| La Rose | 10½ | 9⅝ | 10 | 10 | 15500 |
| Lorrain | 4½ | 3¼ | 4 | 3⅜ | 43000 |
| Laval. Que. | 27 | 22 | 26 | 22 | 25937 |
| McKinley | 18 | 15½ | 15½ | 18 | 11000 |
| McIntyre | 25.85 | 25.50 | 25.85 | 25.55 | 2134 |
| Millcrest | 13 | 11 | 11 | 13½ | 14600 |
| Mining Corp. | 3.58 | 3.45 | 3.55 | 3.50 | 9430 |
| Moneta | 16 | 15 | 15 | 16 | 3400 |
| Newray | 35 | 32 | 32 | 34 | 840 |
| Nipissing | 5.65 | 5.55 | 5.55 | 5.65 | 669 |
| Night Hawk | 7 | 6½ | 7 | 7 | 8000 |
| Noranda | 15.75 | 15.20 | 15.35 | 15.30 | 9175 |
| Ophir | 3 | 3 | 3 | 2 | 2500 |
| Pete. Lake | 2½ | 2¼ | 2½ | 2 | 7500 |
| Rouyn | 3½ | 2¼ | 2½ | 3½ | 27500 |
| Premier Gold | 2.15 | 2.10 | 2.15 | 2.11 | 5375 |
| Preston | 5 | 4¾ | 4¾ | 5½ | 2000 |
| Teck Hughes | 3.72 | 3.50 | 3.53 | 3.72 | 112801 |
| Stadacona | 42¼ | 41½ | 41¾ | 41 | 18100 |
| Timiskaming | 13¼ | 13 | 13 | 12 | 2500 |
| Tough Oakes | 41 | 37½ | 37½ | 41½ | 38550 |
| Vickers | 40 | 40 | 40 | 44 | 2000 |
| Vic. Silver | 10 | 6½ | 7½ | 7 | 97000 |
| Vipond Cons. | 1.65 | 1.61 | 1.61 | 1.64 | 27713 |
| Wakenda | 1¼ | 1¼ | 1¼ | 1¼ | 1000 |
| Wasapika | 1⅛ | 1¼ | 1⅛ | 1⅛ | 3000 |
| West Tree | 2½ | 2½ | 2½ | 2¾ | 3500 |
| Wettlaufer | 6 | 6 | 6 | 5¼ | 4000 |
| Wright Har. | 8.45 | 8.30 | 8.42 | 8.45 | 1465 |
| Wigwam | 31 | 29¾ | 29¾ | 30 | 9600 |

## Teck Hughes Must Double Mill to Justify Present Share Price

Teck-Hughes is selling around $3.60 per share. This places a valuation of slightly under $18,000,000 on the mine. There are lots of predictions that the shares are going to $5. Recently The Financial Post was asked by a reader if there was a chance of the shares going to $10.

They may go to $5 anytime. There is a strong market for the shares; on the other hand they may drop back to $2. It is difficult to guess what may happen.

One fact stands out, the present price discounts a lot of good news and will take a production much greater than the present to justify it.

The 1925 report showed a recovery of $18.98 per ton. Costs $10.88 per ton; net operating profit $7.75. The increased mill tonnage only operated part of the year, however. The net profit per share on the present issued capital of 4,747,144 shares amounted to 7 per cent., or about 2 per cent. on the present price of the stock. However, it is unfair to figure possible 1926 profits on such a basis, as the 250-ton mill will operate the full year, thus cutting costs per ton and increasing profits; while at the same time exploration and development charges, though they may continue heavy, are really a capital charge, and should be distributed over a period of years.

If millheads hold to $18, which they undoubtedly will, and 1926 costs drop to $8 per ton, with $10 operating profit, the company, on a 250 ton mill, operating 300 days in the year would earn $750,000 or about 15 per cent. a year. The proposal is, if the mine justifies it, to erect a new mill double the capacity of the present one. This would work out at about 600 tons daily, or 180,000 tons yearly. Millheads, if they then averaged $15, would be substantial and with $7 total costs, would leave $8 profit or $1,444,000 yearly, about 33 cents per share or about 9 per cent. on the present market price. This would seem to show the mine up at its maximum and seems to cast a doubt on the probability of the shares going to $5. These figures are conservative and the fact should be remembered that they are based on a 300 day operating year.

Another fact to remember is that the market and the mines are constantly doing the impossible, but the fact stands out that Teck-Hughes must spend a great deal on mill and mine expansion to justify present prices.

## Is Dome Getting Such Spectacular Results in Drilling Howey Red Lake Group That It is Withholding Facts?

A quiet little conflict is going on behind the scenes in regard the Dome's operation of the Howey claims in Red Lake. If not quickly straightened out, there may be some fireworks.

Jack Hammil, who made the deal with Dome on behalf of the Howey Syndicate, stipulated in his agreement that he was to get complete reports of all work as they went to the Dome. He was to get logs of all diamond drill holes.

Things went along very well until some of the logs came through with breaks in the information. In one case it is said that there was a blank for about sixty feet of core. This is said to have aroused Mr. Hammil's indignation and he was off to Porcupine by the next train. He is there now and it is stated that if he does not get satisfaction he will go into Red Lake and take charge of the property.

Hammil would do it in a minute, say friends of his who know him well. They call attention to the fact that when the Flin Flon was being diamond drilled, something happened that he did not like and he went in and took charge of the property and seized all the drill cores. It is said that after the matter was straightened out that he held back the 2,000 feet of core as a punishment on the operators whom he claimed were not living up to their agreement.

The situation is one worth watching. It indicates a possibility that the drilling of the Howey group is being accomplished with spectacular results.

### Would McIntyre Like to Get Howey Group and Pay Better Price Than Dome?

Howey Syndicate units broke from $310 to $275 this week. This is a decline that is hard to fathom. The dispute between Hammil and Dome could hardly have been responsible, because few knew of it. On the other hand, it is said that the Dome directors who are back from the Red Lake property are in the market for units and also that interests associated with McIntyre are buying. There is considerable gossip about that McIntyre people and Dome may get together and put their Red Lake claims into one concern. Another report is that interests associated with McIntyre have offered the Howey people a much better deal for the claims in the event of a dispute arising with Dome. This, of course, makes the at-all-times, very-independent Mr. Hammil, much more independent and puts him in a position to talk with ease to the Dome people as to what they shall do and shall not do.

### Dome May be Forced to Cut Dividends Because of Poor Showing of Old Property

Another interesting bit of gossip going the rounds, in regard Dome, has to do with the possibility of cutting the dividend. It is of a bearish nature, dangerous from a market point of view, yet gains some credence in well-informed circles. In one case the gossip suggests that Dome dividend will be cut. This is not an impossibility. Dome officers have frequently said that the company had no business paying $2 a year and that because of the fight for control, they were forced into it. Another rumor is that the dividend will be stopped altogether. This latter is to be doubted because of the existence of a dividend assurance fund of some $2,000,000. It is a matter of doubt as to whether or not Dome is earning its dividend at the present time and unless some new discoveries are made on the old property, things are likely to get worse. On the other hand Dome faces heavy expenditures on the Howey property and unless its funds are husbanded, it might face the possibility of marketing some of its stock to carry out its obligations, thus weakening its hold of the property.

### Dome Has Dividend Assurance Fund Equal to $2.28 per Share Outstanding

Dome is in a particularly favorable financial position. Surplus at Dec. 31, 1925, was $2,019,665. Dividend assurance fund was $2,173,828; current assets were $2,116,091 or 2½ times current liabilities. Reserves stand at $939,338. Assets are carried rather high. Mining claims and properties at $3,483,794 and plant, at depreciated replacement value $2,951,987, or a total of $6,435,781. Dome figures taken from the last annual report follow:

| | †1923 | 1924 | 1925 |
|---|---|---|---|
| Earnings | $3,345,478 | $4,307,720 | $4,366,026 |
| Expenses | 1,252,307 | 2,361,610 | 2,368,611 |
| Net earn. | 2,093,171 | 2,151,092 | 1,997,415 |
| Other rev. | 179,382 | 204,982 | 176,132 |
| | 2,272,553 | 2,356,074 | 2,173,547 |
| Development | 348,268 | 33,936 | 40,976 |
| Depreciation | 371,017 | 431,035 | 439,604 |
| Dixidends | x1,426,203 | 1,906,668 | 1,906,668 |
| Tax reserve | ...... | ....... | 120,538 |
| Surplus | 127,065 | *15,565 | *334,239 |

†9 months ended Dec. 31.

xIncludes $949,536 ($2 a share) paid on old stock, and $476,667 (50 cents a share) on new stock.

*Deficit.

**Seven Years' Earnings**

| Year | Earnings | Dividends | Surplus |
|---|---|---|---|
| 1918 | x$1,030,758 | $ 100,000 | $ 524,797 |
| 1919 | xx104,276 | ...... | 56,801 |
| 1920 | 1,773,374 | 100,000 | 351,814 |
| 1921 | 1,946,403 | 438,333 | 72,[illegible] |
| 1922 | 2,809,452 | 476,667 | 24[illegible],184 |
| 1923 | 4,278,935 | 953,334 | 1,12[illegible]93 |
| 1923 | 3,345,478 | 1,426,203 | 2,672,[illegible]57 |
| 1924 | 4,307,720 | 1,906,668 | 2,419,278 |
| 1925 | 4,306,026 | 1,906,668 | 2,019,665 |

x For eight months.

xx Net loss.

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## BIG U. S. MINING INTERESTS SECURE RED LAKE GROUP

### Guggenheims Reported to Have 18 Claims There and Two Woman Lake Blocks

Several deals have taken place recently in Red and Woman Lake mining areas. The most important development has been the optioning of three groups of claims, one in Red Lake and two in Woman Lake, to Milton Flynn, New York. He is said to be acting for the Guggenheim interests.

The Wood group of 18 claims in Pipestone Bay area of Red Lake, north and west of the Dome-McIntyre groups, are said to have been taken up on behalf of the Guggenheims. The deal is reported to be on a development basis. The owners are to get back what monies they have invested in the claims and the new interests take hold of the properties and develop them.

The Dempster-Stevens group, south of, and removed from the original Woman Lake discovery by one claim, is one of the groups Guggenheims are reported to have optioned in Woman Lake. The other group, a small one, lies to the north of the Powell discovery claims.

Another Woman Lake deal that is about closed involves a group of 12 Duncan claims along Woman Lake and east of the original discovery. This deal is said to have been negotiated on a cash basis.

A new syndicate, Woman Lake Centre, has concluded a deal for two groups of six claims each, one group north of the above group of 12 and the other south, and also staked by Tommy Duncan. It is understood that this operation will be financed in Toronto.

Two or three important finds have been reported from the Woman Lake section. One is at Medicine Rock to the south of the South Bay of Woman Lake and the other is a considerable distance to the east at Marsh Lake. The whole section has been staked up.

Two Toronto men are reported to have made strikes north-east of Woman Lake and in line with Birch Lake. They picked up a quartz-porphyry dyke about 250 feet wide and which was traced for considerable distance. Panning gave spectacular results.

### STADACONA GROUP EIGHT

Stadacona mines has decided to concentrate operations for the time being on group 8, adjoining Noranda holdings on the south. Some good surface indications have been encountered and "Bob" Gamble, field manager, just out from Rouyn, brought out some fine samples of ore from these claims.

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## London Laments Over its Bingos While Americans Grab Canadian Mines

H. S. Denny, English mining engineer, back in London after 3 months' tour of Canadian mining camps, told the editor of "Canada" that the Canadian mining industry "is without doubt a very big movement,—more activity than ever before. People over here do not realize it," and added that while people in London talked about their Bingos, the Americans were taking everything from us and Canadians were lamenting the fact that London was not, to any appreciable degree, interested in the present extraordinary activity in mineral development.

Mr. Denny was struck by the amount of serious development under way, by the number of important companies interested in the new fields of Rouyn and Red Lake, and with the rapidity with which preliminary surface operations and diamond drilling had been instituted in these areas. He was particularly impressed with the encouraging prospects of the two new camps.

### NORTHLAND CUTS VEIN

Northland Mines, operating in the eastern part of Kirkland Lake is reported to have crosscut another vein on the 500 level. It is 12-ft. wide.

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## Third Payment is Made On Dunwell Mine Shares

Shareholders of Dunwell Mines, Portland Canal, B. C., have this week completed their payment on new shares. B. P. Clark & Co., Vancouver, say that this should clear the way for a higher market in these shares. In considering the value of Dunwell it must be taken into consideration that the issued capital is only 700,000 shares and that the known ore bodies are reported to consist of at least $3,000,000 in value. The building of mill and tramway should place them in a position to economically and profitably handle the ores which have been shown by the last shipment to have substantial value.

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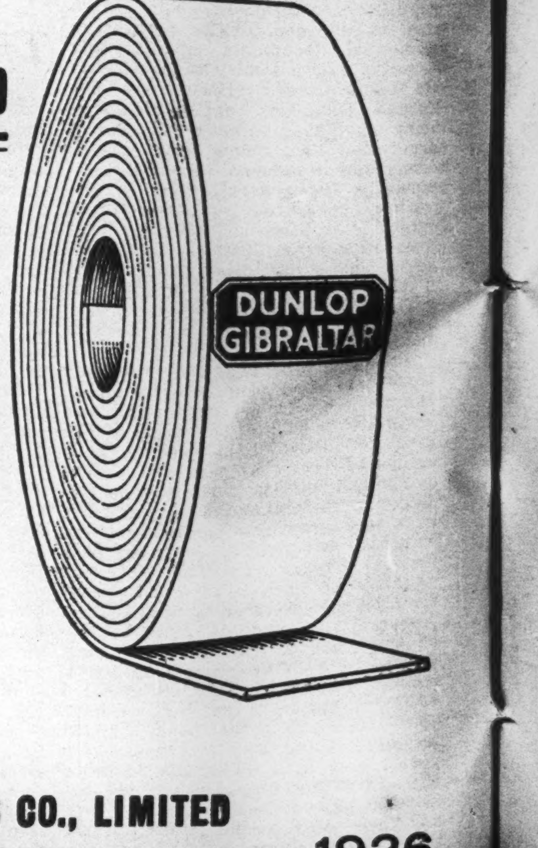

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# News of the Mines

## HALF DOZEN TURNER VALLEY WELLS NEAR INTERESTING ZONE

### McLeod Freezes up because of Gas Expansion—A Review of the Field

From Our Own Correspondent.

CALGARY.—With half a dozen wells in the Turner Valley field into, or within striking distance of, the limestone formation in which Royalite No. 4 encountered its phenomenal flow of natural gasoline and enormous gas flow, interest in oil development is at fever height in Southern Alberta.

Conditions to-day are:

McLeod No. 2, thought to be on the verge of production; down 3,678 ft., some 38 ft. into the limestone, which shows much greater porosity higher in the stratum than was the case in Royalite No. 4. After drilling through an ice bridge that formed in the well owing to the low temperatures generated by gas expanding from under tremendous pressure, the crew is tying all the strings of casing together, anchoring it against expected high gas pressure, before resuming drilling.

Royalite No. 5, 400 yards north of No. 4, is drilling at 3,100 ft. again. It is estimated to be about 350 ft. above the top of the limestone stratum. No. 4 drilled 310 ft. into this stratum.

Dalhousie 3 at 3,300 ft. is drilling again after a remarkable showing of particularly high grade, light oil. It is estimated that this hole is about 450 ft. over the top of the "lime."

**Vulcan, the Deepest**

Down 4,790 ft. Vulcan, the deep hole of the field, in which many oil flows have been encountered, is said to be drilling about 200 ft. over the top of the limestone.

Dalhousie 1, 400 yards north of Royalite 5, is down 3,546 ft. and is fishing for a lost bailer. There is still some old iron to drill through in this hole, which is thought to be almost at the top of the "lime."

At 3,614 ft. Illinois-Alberta, is thought to be not more than 60 ft. over the top of the limestone.

Great West well, three-quarters of a mile southeast of Royalite 4, is at 2,000 ft. South of that Big Chief is drilling. In the far south of the field the Dallas and Home companies are making good time with early drilling.

In addition, derricks are up and all is in readiness to "spud in" at the locations of the British-Dominion, Highland, Dalhousie 5, Calmont, Advance No. 2, Cooper-Nanton, New McDougall-Segur, Spooner Oils, Belgo-Canadian, Madison Oil Co., and McLeod 3.

In Moose Mountain, north of Turner Valley, Signal Hill Co. is making rapid progress with construction of the derrick at No. 2 location. Cherokee Co. is making good progress in drilling down the old Bragg Creek well to greater depth.

Imperial Oil Co. has its Jumping Pound well down some 2,300 ft. and is prepared to drill an exceptionally deep test hole. Farther north still, Reserve Oils report good progress at the test hole they are drilling with a diamond drill on the Morley Indian reservation.

### Likens Alberta's Oil Fields to Wyoming's

More wells must be drilled before the extent of the field will be known, said Col. R. B. Harkness, gas and oil commissioner, Province of Ontario, after an examination of the Wainwright oil field. He found every condition necessary for the accumulation of oil in large quantities in evidence in the field. He said the Wainwright field indicates a similar condition to the Wyoming fields and expressed the opinion that in the Central Alberta areas a tremendous field with great potential wealth had been uncovered.

### Much New Work Being Launched in Boischatel

Much new work is already under way in various parts of the Quebec gold-copper area. Boischatel is the centre of intensive surface prospecting on innumerable properties. Coniagas is reported to have made a find on a group of claims bordering on the Monteray-Duprat-Boischatel-Desarat corner. Diamond drilling will soon be started on Holliwell claims. Messrs. Alderson and McKay are handling these claims for the Timmin's interests.

### Amulet Groups Stand Well on Surface Work

Work is proceeding in a big way on the Duprat properties, northwest Quebec. M. E. Young, consulting engineer, states that the ore found is in the shape of bed-like deposits, in either rhyolite or andesite, or more particularly between beds of two distinct flows consisting of one or both the above mentioned geological formations. It seems in each and nearly every instance this has been accompanied by a diabase intrusion in the immediate vicinity of the ore or adjacent to it. In other words, it is in the vicinity of these flows, the andesitic or rhyolitic, at the point of some gasic intrusion (preferably diabase) that ore outcrops are found. It is under similar conditions to this that ore has been found to date in Rouyn. Mr. Young, in his report, further emphasizes the importance of the three areas opened on the south group of the properties and says that he believes the northern group will show even more promising areas just as soon as his geological survey is completed. The northern group of Duprat adjoins Waite-Montgomery on the west in line with their main strike and that the southern group is separated from the Amulet property only by the Nipissing holdings.

### CANADIAN LORRAIN

Work has proceeded normally throughout the month, and developments have continued favorable. Recent developments will be reviewed by the managing director at the annual meeting June 17.

### MANY CLAIMS BEING RECORDED

It is reported that around 30 claims are being recorded daily with the Kenora mining recorder. Birch and Woman Lake areas are responsible for the bulk of the filling but Lake of the Woods area is also active.

### Imperial Reported to Have Secured Leases in Ribstone Section

It is reported that Imperial Oil will initiate a drilling test of the Ribstone-Blackfoot anticline, so definitely delimited by Dr. G. S. Hume, of the Dominion Geological Survey, on the Alberta-Saskatchewan boundary and east of Wainwright.

In the meantime another report is that a deal has been made with Hudson's Company and C. P. R. for a part of their leases in the area, and the general opinion in Calgary seems to be that these have gone to Imperial Oil and part to a syndicate composed of those who acquired the first 13,000 acres in the area.

In addition, several other proposals are under way for the drilling of the Ribstone-Blackfoot anticline beside that of the Meridian Oils, Limited. These proposals are in the nature of sub-leases from the syndicates obtaining the drilling rights and lease filings, and operators from the United States are reported to be seeking blocks of land on the anticline for prospecting under sub-leases.

## VICTORIA SYNDICATE BUSY IN KOOTENAYS

### Has Four Properties and May Also go in for Smelter Operation

NELSON, B.C.—The finding of a large ore body on the Hudson Bay mine in the Kootenay district will have an important bearing on the operations of the Victoria Syndicate. This British controlled subsidiary of Mond Nickel Co. has been seeking properties in various Canadian mining camps during the past two or three years. The representative of the syndicate in British Columbia is R. H. (Pat) Stewart, and the success met with so far has, to a large extent, been due to his "nose for ore." Last September, the objective was struck in the Ruth-Hope mine in the Slocan district, after tunnelling 2,700 feet under his plans. Now the ore body has been located on the Hudson Bay mine, after unsuccessful attempts by other people who had the property under option.

Victoria Syndicate took a bond on the Carnation group in the Slocan last year, and recently acquired 250,000 shares in the new issue of the Ruth-Hope company, with an option on 250,000 more at the same price. This also is Slocan property. It will examine a large area in the Lardeau, consisting of several groups of silver-lead properties, and a decision will be arrived at regarding them by the middle of summer.

It is assumed that this large company has plans of magnitude with respect to the mining industry in British Columbia, and discovery of another large body may bring an announcement. The Hudson Bay mine, the Carnation, the Ruth-Hope, and the Lardeau properties are all tributary to Kootenay Lake, and it might be supposed that another smelting industry is in prospect. There is every indication that exploration work on the Lardeau properties will be productive of results, for sufficient development has been done on all the properties under option to warrant further investigation. The next few months are being keenly looked forward to by mining men all through the interior, for successful operations by this large company will mean better values for mine properties in all districts.

### Keora Reorganization is Ready for Shareholders

Keora shareholders meet June 15 to approve of refinancing plans. The present company will sell out to Keora Mines on a one new for two old basis. The capital of the new company will be 2,500,000 one-dollar shares, or 500,000 less than the present company. This will leave 1,000,000 shares in the treasury. No hint is given of the underwriting plans for the shares, but these must be pretty definite as it is understood that as soon as shareholders give their approval of the reorganization, operations on Calcite Lake will be resumed. Current assets are only $5,782, about enough to pay the cost of reorganization and one month's work on the property.

### PREMIER WILL NOT BUY INDIAN

The Premier Gold Mining Co. states that it will not take over the Indian Mine, Portland Canal, says Western Canada Mining News. The reason is on account of unsettled market conditions and the Premier's already heavy commitments on other properties.

### MILL FOR AMULET

It is reported that Amulet has definitely decided to proceed with the erection of a mill. A start may be made with 100 tons and this later doubled. Work will start when the C. N. R. branch is completed about Sept. 1, and supplies and equipment can be taken in.

### INTERNATIONAL NICKEL ADVANCES

Shares of International Nickel have been in demand in New York during the past week, when the market strengthened under the leadership of U.S. Steel. The stock opened the week at 35, moved up to 36½, and has held firmly around that level.

## MANY GOWGANDA WORKS RESUME: BUSY SEASON AHEAD

### Noranda Takes Up Group—Capital is About to Drive New Shaft

Activities in Gowganda are showing a considerable speeding up. Many operations are being resumed and the outlook is for a busy summer.

The announcement that Noranda will aggressively explore a group of nine claims close to Tonopah's operations and W. J. 9 of Huronian Belt is followed by a report that Capitol Silver, which holds a large acreage in the heart of the main producing section will resume. Several other operations that have been halted for the winter are just getting under way.

Capitol operations may be marked by the sinking of a new shaft. This is yet to be decided and some preliminary work is now being done. On the southern claims a find of 300 ounce silver was made last fall and it is expected that this will be opened up. Besides the shaft sank some 800-ft. on the northern part of the company's holding struck such a heavy water flow, that it is believed that it would be economy in the end to abandon it. The southern claims are quite close to the keewatin-diabase contact, the favorable ore zone, and it is expected that the new shaft would not have to carry to great depth to tap the contact.

There has been an important change in the position of Capitol since it last operated. At that time the bulk of its claims were held under option. Now they are all paid for.

**Castle Looks Good**

Castle has been dropping operations down to deeper levels and carried its shaft down to 725-ft. It is reported that good ore has been encountered on the 625. Production is about 80,000 monthly. Since the change in management last fall it is understood that a number of important changes in operations have taken place. It is authoritatively stated that the mine's ore reserves are now the largest of any silver operator in the north. There are large sections of the property unexplored and a new shaft is being put down to tap one of these.

A nice silver showing is reported to have been encountered on the Coleroy. It is not high grade but so good that the management is reported as feeling highly elated over the outlook for the mine.

Wigwam Silver has been refinanced and this week resumed operations. It is understood that the area under the lake is to be tested out and that it is proposed to do the work by contract.

Haultain Silver is making good progress and is about ready to increase its force of workers materially.

W. Shields has just placed a gang of men on the Bloom Lake Consolidated property and will push ahead the exploration of these claims on which some excellent silver showings have been encountered in surface trenching.

Keora which has been operating at Calcite Lake all winter, is now being reorganized. This will be accomplished next week and it is expected that before July 1, operations will be going ahead again. At the time work was halted, some very interesting silver showings have been encountered and very little more work will show whether these finds are extensive or not. There is also a report about that Keora may undertake the exploration of an important Red Lake group.

There is a 100-ft. shaft on the group which Noranda has taken over and which for a time were under option to a New York group. Mining and electrical equipment should be in place sometime in July. The shaft is expected to encounter the contact in the next 300-ft.

There has been a material change in the outlook for Gowganda during the past six months. To-day the camp enjoy an abundance of cheap power for the first time. Cost of operations from now on should be much cheaper. Tonopah will have the fifth mill in the camp. Castle and O'Brien are operating. Keora and Reeves-Dobie are closed down.

### MAY TAKE OVER WETLAUFFER

There is a rumor that Huronian Belt may acquire Wetlauffer and other adjoining properties lying to the east of Keeley Silver mines in South Lorrain.

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### Three Boischatel Groups Are Reported as Sold

It is reported from Ottawa that a rather important deal has been concluded on three large groups of claims in Boischatel Tp., Quebec. The names of the purchasers are not yet revealed. One group adjoins the Timmins holdings and another one of the Arntfield and the Alderson-MacKay. The third group is to the north and straddles the contact. It is regarded as having an excellent chance.

## YUKON OPERATIONS NEAR PRODUCTION

### No New Silver-lead Discoveries Made During Past Year However

No discoveries of silver-lead ores of major importance were made, according to Dr. W. E. Cockfield, of the Geological Survey, during 1925, in the Mayo silver-lead district of Yukon territory, but production from the established properties continued at a steady rate throughout the year, and several properties on which ore had previously been discovered were brought to the point of production.

Treadwell Yukon Co., Ltd., remains the largest producer. This company has been operating a group of claims situated on the western slope of Keno hill continuously since 1921. The company placed its mill in operation early in 1925, and this marks the first attempt to concentrate the Mayo ores before shipment. Haulage, however, usually takes place in the winter for shipment the following spring, and only a small amount of concentrates is therefore included in the total quantity shipped during 1925. To the end of August, the Treadwell Yukon Company has shipped 1,135 tons of concentrates with an assay value of 584 ounces of silver to the ton and 52 per cent. lead. A small amount of crude ore, which did not require concentration, was also shipped.

In their development work the Treadwell Yukon Company encountered the vein on the sixth level, the lowest yet opened. The vein was faulted between the fourth and sixth levels, but with its recovery on the sixth level, the amount of ore available for milling is materially increased.

A number of individual miners also made small shipments from their claims during the year, and there are more groups now engaged at this work than at any time in the history of the group.

On Galena hill, immediately to the west of Keno hill, the veins discovered in 1924 were prospected and several promising ore bodies have been found. One property, consisting of the Arctic and Mastiff claims, shipped 375 tons of high-grade ore. The ore on this group was encountered in a vein drifted on from the shaft at a depth of 38 feet and the ore shoot in the drift proved to be 90 feet long and 9 feet wide. Surface workings indicate that the ore body has been cut off by a fault and that the ore shoot may be expected to continue on the other side of the fault for a distance of 300 feet. Encouraging prospects have also been found on the Ruby, Coral, Wigwam, Elsa, Dragon and Hector claims. On some of these ore as rich as any yet found in the camp has been located, and small shipments will be made during the winter of 1925-26.

In the more recently discovered Beaver River area, which lies about 45 miles north from Keno hill, some prospecting was done during the summer of 1925. In the autumn of 1925 the Consolidated Mining and Smelting Company had men on the ground, intending to take options on, and prospect, some of the claims on McKay hill, the original point of discovery of silver-lead ores in Beaver River area. On account of the lack of transportation facilities, no shipments of Beaver River ores are expected, as it is believed that large ore reserves will have to be demonstrated before the expense of providing facilities for transportation can be justified. The ores of the Beaver River area are much lower in silver content than those in the area around Keno hill. The action of the Consolidated Mining and Smelting Company in prospecting these claims, will, however, undoubtedly encourage the holders of surrounding claims to greater efforts, and will undoubtedly attract additional prospectors to the field, and further discoveries may be confidently awaited.

Keep Posted on Red Lake!

News of significant developments at properties in Red Lake is being reported, and will have a direct influence on market prices.

The present stage of development of the district holds great profit possibilities, and investors should keep in close touch with conditions at the various properties.

You can do this by reading

GIBSON'S FORTNIGHTLY MINING REVIEW

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Address ....................

Homer L. Gibson
AND COMPANY
Bank of Hamilton Bldg.
TORONTO

### Bigger Vipond Production is Soon to be Expected

Vipond will soon start handling an increased tonnage in the mill and should soon increase the value of production by 75 per cent. Heretofore the monthly average has been around $50,000. May totalled $46,900 from 4,988 tons, an average of $9.40 per ton. Developments continue very favorably.

Mine developments have been favorable on the second, sixth, seventh and twelfth levels. The mill will be operating on increased tonnage during the latter half of June.

### KIRKLAND TOWNSITE SINKING

Kirkland Townsite, south of Wright-Hargreaves, Kirkland Lake, is sinking its shaft to 550-ft. and will, later, start lateral work at the 425 and 550-ft levels.

### WILL DRILL AT WEYBURN

Weyburn Exploration Co., an organization of Weyburn, Sask. business men will drill for oil in Maxim, Sask., district, 30 miles southwest of Weyburn. Before the war a water well was sunk in the vicinity and the presence of gas was noted then. Three miles away another well gave evidences of gas at 437-ft. The new company will drill to 1,000-ft.

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34 KING ST. EAST, TORONTO

Porcupine Kirkland Gold Mines
LIMITED
(No Personal Liability)

So important have been the discoveries and decided indications of high gold values on the Cabot Township group, belonging to the Porcupine Kirkland Gold Mines Limited, that Professor Louis Doremus Huntoon was called upon to examine the property and advise the management as to the best mode of procedure to be adopted, with the result that plans are now being formulated for extensive development work on the property immediately under the supervision of an expert resident mining engineer.

Map and full particulars on request

Porcupine Kirkland Gold Mines Limited
105 Victoria Street Telephone ELgin 4569 Toronto, Ontario

HARVIE, SMITH & COMPANY
LIMITED
Dr. Robert Harvie, late of the Geological Survey of Canada

an organization combining accepted geological skill and the utmost fair dealing, devoted to the exploration and sale of mining properties.

Correspondence Invited

707 Canada Cement Building
MONTREAL

# RETURN TO GOLD FACILITATED BY TRADE POSITION

## Canada Now Has Ratio of 56 Per Cent. Gold to Note Circulation

From Our Own Correspondent.

OTTAWA.—The return of Canada to the gold standard on Dominion Day is looked forward to with confidence in business and banking circles. The matter has been under discussion for several years, and leading banking authorities have urged that Canada should have resumed gold payments a year or more ago. The fundamental conditions of stability under a gold standard are those of trade, and in this regard, Canada's situation has been favorable for several years. In the general trade returns of the Dominion there has been an excess of exports over imports for the last five fiscal years; and in fact, the fiscal year ending during the deflation of 1921 is the only year in the last eleven in which imports have been larger than exports.

The condition is equally favorable as reflected by the trade returns for the month of April, the latest period for which figures are available. In that month the total exports of Canadian produce were valued at $1,315,450,282, as compared with the total imports of $936,099,334, a "favorable balance" of $378,000,000. This excess on the side of exports is considerably greater than for the similar period ending with either April, 1924, or April, 1925. For the former year the surplus of exports was $155,000,000, and in the latter year, $285,000,000. In fact, there is only one fiscal year in the history of Dominion trade in which the excess of imports was greater than it was for the twelve months, ending with April. This exceptional year was 1918, at the peak of the war struggle, when Canada's "favorable balance" grows to $622,000,000.

The greater part of Canada's excess of exports is found in her trade with the United Kingdom. For the twelve months ending with April this year, the Dominion shipped to the British market, goods valued at $504,956,733, as compared with imports from that country of $164,034,362. This is more or less a normal condition in trade with the United Kingdom, although the surplus of exports just referred to is larger than has been in evidence since 1920.

### Unfavorable Balance With States

In trade with the United States it has been normal, on the other hand, for there to be an excess of imports into Canada. For the twelve months ending April, the imports from the United States were valued at $615,740,747, while the exports to that market were $475,614,794. In this case, however, although the normal condition of an excess of imports continues, the amount of the excess is less than has been customary. No longer ago than 1920, the excess of imports from the United States for the fiscal year was nearly three hundred millions; but Canadian exports to the United States have been growing steadily since that time.

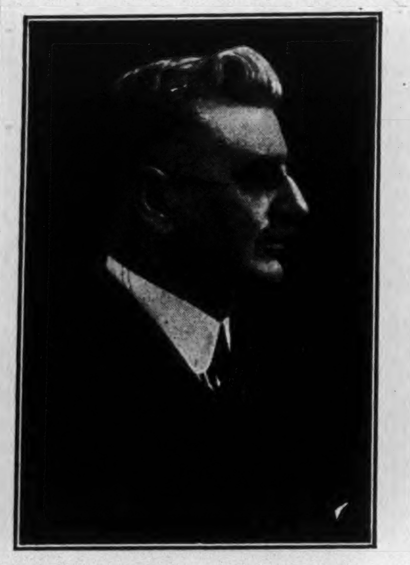
In the usual course of trade, Canada's "adverse balance" with the United States is offset by the "favorable balance" with the United Kingdom. This is accomplished through the general operations of the bill and money markets. Since the war, however, a practice has grown up under which a large part of Canada's balance with the United States has been made up by American loans for Canadian industry. This has resulted in the rapid growth of American investments in Canada which, at the present time, are estimated at over $3,000,000,000. Figures made public recently regarding bond sales indicate clearly that the same tendency is continued up to the present. Canadian bond sales from the first of January up till May the 22nd totaled $246,161,812; and of this amount $119,350,000 were disposed of in the United States. The balance of the bonds were sold in Canada, none being marketed in the United Kingdom, where Canada's borrowings were obtained almost entirely before the war.

Within the last year or so, Canadian exchange has fluctuated a good deal about par. Some times gold has been shipped from New York to Canada, and sometimes the movement has been in the reverse direction. More recently, these shipments have been towards the Dominion. Meanwhile, the condition of the gold reserve in Canada has remained satisfactory; and the latest figures indicate a ratio of approximately 56 per cent. of gold to the total note circulation. The latest returns available in this connection are for the end of March, and at that time the total circulation of Dominion notes, allowance being made for the deduction of those held in the central gold reserve, was about $137,000,000; while the bank note circulation, less notes held by other banks, was $151,000,000. Against this total note circulation of $288,000,000, there was in the Dominion treasury, available against note issue, $95,000,000 in gold, in the central gold reserve $18,000,000, and in the bank vaults approximately $50,000,000; making a total of about $156,000,000, which gives a gold ratio of approximately 56 per cent.

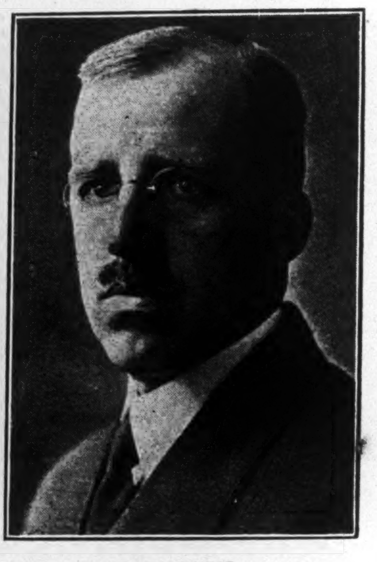
### HAMILTON'S REGRETS

Hamilton Herald: Although the sale of the Hamilton Provident & Loan corporation to a London financial corporation will doubtless be a profitable transaction for the shareholders of the former, the transaction is to be regretted for reasons of sentiment. It is not cheering to see one of the oldest and best known of Hamilton financial institutions pass out of existence.

# *New C.M.A. Executive Officers*



W. S. FALLIS,
Managing Director, Sherwin-Williams Co. of Canada, elected First Vice-President of the Canadian Manufacturers' Association.



L. W. SIMMS,
President of T. S. Simms & Sons, elected Second Vice-President of the Canadian Manufacturers' Association.

# Will Confederation Last if Tariff Paring is Continued?

(Continued from page 17)

tariff reductions is an expedient in a crisis, but it is not sound protective policy. The parts put on the free list will not be made in Canada while they are on the free list, and experience shows that, once on, it is difficult to transfer articles from that list.

This made the seventh tariff reduction in eight years. In 1919, the tariff on agricultural implements was reduced and the 5 per cent. British preferential war tariff was taken off.

In 1920, the general war tariff of 7½ per cent. was removed.

In 1922, the tariff was reduced on a considerable list of articles, including agricultural implements, woollen and cotton fabrics, knitted goods and boots and shoes.

In 1923, the British preferential tariff rates were reduced 10 per cent. on goods imported direct through Canadian ports.

In 1924, the tariff was reduced on agricultural implements, materials, parts and supplies for agricultural implements, sawing machinery, lumbering machinery, and ore crushing machinery.

In 1925, the tariff was reduced on fresh and canned meats, tallow, butter, dried, fresh and canned fruits, honey and sugar, and removed entirely on lard, and similar substances, beeswax, eggs, cheese, canned vegetables, onions, imported from New Zealand and Australia.

In 1926, the tariff was reduced on automobiles, motor trucks, certain parts and materials for automobiles, pasteurizers, and farm lighting machinery.

### Why Canadians Leave

The cumulative effect of all these reductions has wrought great injury to the whole country. Over half a million Canadians emigrated to the United States to find work which was taken away from them in Canada, according to official figures. If the unofficial were added to the official figures, the total would be over three-quarters of a million. The number of commercial and industrial failures and their liabilities increased greatly in comparison with those of the years before the policy of tariff reduction was put into effect. Railways, banks, insurance companies, wholesale and retail trade, and people in other occupations have suffered indirectly through restrictions of business. Farmers lost part of their home market through the shrinkage in population and the curtailing of buying power. The establishment of branch factories in Canada has been restricted, because the manufacturers of other countries are waiting to see if other tariff rates will be reduced to the point where they can ship goods into Canada from their home plants. Little capital is available for industrial enterprises, except for industries such as mining, and pulp and paper.

### Fighting the World

In pursuing this policy, Canada has been flying in the face of world practice. Since the war eighty-two countries, including practically all the industrial countries, have greatly increased their customs tariffs, making it harder for us to sell to them, while we have been making it easier for them to sell to us. Trade treaties with France, Belgium, the Netherlands, and other countries, have been negotiated on the basis of lowering the Canadian tariff, and, consequently, increasing the competition of other countries with our own producers.

Confidence in the industrial future of this country has been shaken. The great fiscal need in Canada is stability. We have been promised stability frequently, but every year sees further tariff reductions. What industries will be attacked next? How can industry proceed with assurance under such conditions But stability alone is not enough. Stability will not restore the woollen industry, which would be given that amount of protection which will enable it, first, to revive, and, second, to expand.

For fifty years Canada has been building up her industrial system. If it is to remain, it must be given similar protection to that afforded by other countries. That is the universal method. Is it possible that Canada can follow the opposite method and retain her industries?

An attempt has been made to distort the whole question of national protection and our policies have been based on theories in disregard of facts. People have been taught to believe that protection is designed for the sole benefit of a few individuals called manufacturers. This is not the case at all. A few thousand manufacturers are of comparatively little importance as individuals, but what they represent is of great importance. They are the employees of many thousands of shareholders. They are the associates for nearly two and a half million Canadians who depend directly on the factories for a living. Their interests are inseparably bound with those of the distributors, traders, transportation companies, financial institutions, farmers and all others. The question really comes down to this: Will the factories be in Canada or in the United States and other countries? In other words, will the homes remain in Canada or will they be moved to the United States and other countries? We are not asking for "high" tariffs or "low" tariffs. These terms in themselves are meaningless. What is needed are tariff rates that will keep factories in Canada, and, as the country grows, will encourage the establishment of new factories, and the business which follows them. Let us find out what is needed and then provide it. The underlying protective principle must be kept in mind. If investigations are designed only to give excuse for further reductions in industries that cannot stand them, such investigations are not only futile but harmful. In investigation that accomplishes any useful purpose, the investigators must proceed on the assumption that the industries of Canada are worth preserving.

### What Might Have Been

Let us look for a moment at the splendid picture of what might have been. Suppose that, instead of persisting in this policy of tariff reductions during the past eight years, we had followed the example of the United States. That country put into effect an emergency tariff in May, 1921, and the Fordney tariff in September, 1922, the highest tariff in the history of that country. Even before the introduction of these tariffs the rates of the United States on articles they wanted to protect were much higher than Canadian rates. Largely as a result of this policy, the people of United States are enjoying the greatest prosperity in their history. They are not seeking immigrants; they are shutting them out. They have no railway problem. They have no trouble in getting capital for investment. If we had adopted a similar fiscal policy, I believe that we would have retained nearly all of the three-quarter million Canadians who emigrated. I believe, further, that Canada would have attracted from Europe and from the United States hundreds of thousands of people. It is not unreasonable to estimate that our population would have been from one and one-half to two million more than it is to-day. There would have been retained in this country hundreds of millions of dollars that have been sent to other countries to purchase goods. The earnings of the increased population, added to the money that would have been spent in Canada instead of abroad, would have been circulating during the past few years in this country, paying wages, and providing capital for new industries. Taxation would have been lighter. The people of the United States are rapidly paying off their national debt but their income taxes are still much lower than ours, even after the recent reduction in our rates. In Australia, where the tariff was increased and made definitely protective, the amount of duty collected increased in four years by 50 per cent., while the income tax has been reduced by 47 per cent. Neither Australia nor the United States had to adopt the sales tax which has been a burden on Canada.

### Free Trade in Publicity

It is a tribute to the Canadian people that conditions are no worse as a result of our tariff policy and, in spite of the harm done by it, there is some improvement in certain departments of national activity. It is an indication of the natural wealth of the country as well as of the character and industry of the people that conditions are as good as they are. When we remember that sixty million copies of United States magazines and newspapers, carrying over four billion pages of advertising for United States products, are brought into Canada annually, free of duty, it is remarkable that Canadian products have held as much of their market as they have been able to retain.

But the strongest vitality and the greatest natural wealth cannot resist indefinitely the results of a fiscal policy which, if pursued, can only end in national disaster.

### Will Confederation Last?

Like all great truths, our real problem can be very simply stated. It is this: Will Confederation last? If the policy of tariff reduction that has been followed for the past eight years is continued, it is certain that in time most of the great industries of Canada will disappear and that only a few, based on adjacent natural resources or with a small local trade, will survive. If matters are allowed to drift until this situation is reached, is it possible that Canada, from which industry will have largely disappeared taking with it the business dependent directly or indirectly upon industry, will be able to bear the burden of taxation, operate the transcontinental railroads, support the great overhead systems of Dominion, municipal and provincial government, and maintain the public services and institutions? How will the railways continue to provide the lowest rates in the world on agricultural produce when they are deprived of the traffic originating from this industry? What inducement will then be offered to skilled workmen to enter Canada? What persuasion will be held out to farmers to settle on the land if their home markets, constituted by the demands of the cities and towns, are taken away through the gradual decline of these cities and towns?

If Confederation fails, will Canada resolve back into its original elements—scattered provinces lying along the northern boundary of the richest and strongest country in the world? What will be the future of these isolated provinces? Will they become additional states of the United States or will they try to exist as feeble republics, similar to some of those in South America?

Surely the patriotism and good sense of the Canadian people will not allow matters to drift until such a contingency is upon them! Surely the dream of our forefathers will not be abandoned! They bequeathed us our country, and the works which their hands created. Can we retain it for ourselves and our children?

I firmly believe that we can and that we will. I believe that the time is at hand when Canadians in all the provinces, of all occupations, and of various political faiths, will realize that there must be formulated and adopted a new policy of national development, that will stimulate and expand all forms of production and enterprise, that will protect and stabilize but not discriminate, that will give opportunity to present and future Canadians, and that will bind all parts of this country in true and permanent Confederation.

When that time comes, Canada, peopled by the descendents of the world's great races, possessing all things on which success is based, and wanting little but unity of thought and action, will enter a period of intellectual and social advancement and material progress that will not only write new chapters in her national history but will also place her definitely among the leading countries of the world.

## Monarch Battery Co. Reports Progress

The Monarch Battery Co., Ltd., Kingston, Ont., are now located in their new plant and report splendid progress. This firm, which began in a small way in 1922, has come along very rapidly and is now a real factor in Canada's battery business. This firm claims that since the erection of their new modern plant, substantial economies have been effected and that with their efficient organization operations can be carried on at a very low cost.

The Monarch has several large contracts on hand and are gradually building a large dealer's organization. At the present time the authorized capital is $500,000. The stock is closely held. It is expected that an issue will be floated shortly.

**$425,000**

***Cawthra Apartments, Limited***

**(Yeadon Hall Apartments)**

**7% First (Closed) Mortgage Gold Bonds**

*Dated June 1st, 1926* — *Maturing June 1st, 1946*

*Interest payable half-yearly (December 1st and June 1st), and interest and principal payable in gold at the office of the Bank of Nova Scotia, at Toronto, Montreal and New York City.*

**Denominations: $100, $500 and $1,000.**

**Trustee: The Toronto General Trusts Corporation, Toronto, Ont.**

This is a First Mortgage Real Estate Investment having exceptional security. The land extends 253 feet on College Street by 200 feet deep. (It was the old Cawthra family property.) The equity in the property is owned, and the Company is controlled, by the Cawthra Estate. There will be 72 suites of apartments and fireproof garage accommodation for 72 cars. No other Toronto apartment can offer this accommodation. Each apartment will have artificial refrigeration, modern kitchen equipment and other conveniences. The strategic location, adjacent to the University Buildings, Parliament Buildings, and Toronto General and Children's Hospitals, insures a high-class permanent tenancy.

Independent valuators have appraised the completed property at $709,000. So that the First Mortgage is for about 60% of its value.

Gibson Brothers estimate revenue of $83,520, with operating expenses of $24,360, and net income of $50,810, or nearly double the amount needed to meet interest charges on First Mortgage Bonds after allowing for vacancies at 10%.

***We offer these Bonds at the price of 100 and accrued interest, yielding 7%. In our opinion this security is a safe and desirable investment.***

**W. A. Mackenzie & Co.**
**Limited**
**INVESTMENT BANKERS**
**217 Bay Street** **TORONTO, ONT.**

## FINANCIAL STATEMENT

# The Canadian Converters' Company, Limited

## For Year Ending 30th April, 1926

**Board of Directors:**

J. HARVEY ROY, President.
JOHN M. MACKIE, Vice-President.
THOS. J. RODGER
T. R. RENNIE
J. N. LAING
D. PATERSON
R. C. McMICHAEL, K.C.

General Manager: J. HARVEY ROY
Secretary-Treasurer: THOS. M. BARRINGTON

### REPORT OF THE DIRECTORS OF The Canadian Converters' Company, Limited, Year 1925-26

TO THE SHAREHOLDERS:

Your Directors herewith present the Twentieth Annual Report of your Company, for the year ending April 30th, 1926.

The improvement in business that began about the end of our previous fiscal year was maintained throughout the year just ended, and in spite of keen competition has enabled the Company to show somewhat better nett results than during the preceding year.

The Trading Profits amount to $161,800.01 and to this must be added $11,954.36 interest on Investments, making a total for the year of $173,754.37.

Substantial amounts have been added to Reserves and full provision for Income Tax to date has been made. Bond interest has been paid and Dividends at the rate of seven per cent. maintained.

After paying all these, there is left the sum of $10,469.37 to add to previous surplus, bringing the total to $665,964.95.

The Books of the Company have been duly audited, and the Auditors' Report is submitted herewith.

J. HARVEY ROY,
President.

### COMBINED PROFIT AND LOSS ACCOUNT

| | | |
|---|---|---|
| 1926: | | |
| April 30th. | To Interest on Bonds | $ 11,940.00 |
| | " Reserve for Depreciation, Income Tax and Bad Debts | 30,000.00 |
| | " Dividends Paid | 91,008.75 |
| | " Dividends Payable May 15th, 1926 | 30,336.25 |
| | " Balance at credit | 665,964.95 |
| | | $829,249.95 |
| 1925: | | |
| April 30th. | By Balance carried down | $655,495.58 |
| | Profits of Subsidiary Companies for year to date | 161,800.01 |
| | Interest on Investments, etc. | 11,954.36 |
| | | $829,249.95 |

J. HARVEY ROY,
JOHN M. MACKIE
Directors.

### COMBINED BALANCE SHEET
### As at 30th April, 1926
### ASSETS

| | | | |
|---|---|---|---|
| **Property Account** | | | |
| Real Estate, Plant, Machinery, Goodwill, etc. | | | $1,960,869.61 |
| **Investment** | | | |
| Victory Bonds, etc., with accrued interest to date | | | 202,165.93 |
| **Current Assets** | | | |
| Stock of Merchandise, stores, etc. | | $619,290.28 | |
| Accounts Receivable, less Reserve for Bad and Doubtful Debts | | 291,601.82 | |
| Cash on Hand and in Bank | | 10,902.53 | 921,794.63 |
| **Suspended Assets** | | | |
| Insurance Prepaid | | | 11,905.31 |
| | | | $3,096,735.48 |

### LIABILITIES

| | | | |
|---|---|---|---|
| **Capital Stock** | | | |
| Authorized 30,000 Shares of $100.00 each | | $3,000,000.00 | |
| Subscribed and issued 17,335 shares $100.00 each, fully paid up | | | 1,733,500.00 |
| **Mortgage Bonds** | | | |
| Authorized and issued | | $750,000.00 | |
| Less— | | | |
| Held by Company | $491,000.00 | | |
| Cancelled | 60,000.00 | 551,000.00 | 199,000.00 |
| **Current Liabilities** | | | |
| Accounts Payable, including Income Tax for 1926 | | 97,977.84 | |
| Accrued Interest on Bonds | | 4,975.00 | |
| Dividend Payable May 15th, 1926 | | 30,336.25 | |
| Wages accrued | | 15,545.83 | |
| Bank Loans | | 55,000.00 | 203,834.92 |
| **Reserve for Depreciation** | | | 294,435.61 |
| **Profit and Loss Account**—Balance at credit | | | 665,964.95 |
| | | | $3,096,735.48 |

Contingent Liability, $32,251.00.
Bills Receivable under discount.

J. HARVEY ROY,
JOHN M. MACKIE
Directors.

Montreal, May 26th, 1926.
Verified as per report of this date.
RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A.,
Auditors.

*Featuring Highway Transportation*

# THE FINANCIAL POST

*The Canadian Newspaper for Business Men and Investors*

Special Section 21-28 PUBLICATION OFFICE: TORONTO, JUNE 11, 1926 Special Section 21-28

# Public Highways Forerunners of Branch Railways

### Arteries Tap Great Areas of Undeveloped Land in Far North

### TRUCK-HIGHWAY LINES

### Closer Co-operation Between Nation's Various Transit Interests Has Already Commenced

**A. W. CAMPBELL, M.E.I.C.,**
**Commissioner of Highways.**

CANADA has approximately 427,000 miles of highways and roads open for public use, of which total nearly 55,000 miles have received hard surfacing with gravel or better. As the total railway mileage in the Dominion is just over 40,000 miles, we have about one mile of railway to every ten miles of public common road, and one mile of railway to each mile and a third that has been prepared for heavy highway traffic. It is then apparent that in all provinces there are great long stretches of public roads that are unfit for heavy traffic, and during a great part of the year, are founderous. That development in transportation facilities by public road has not been commensurate with our railway building activities is apparent.

It would seem, therefore, that the future will witness a more close co-operation between the nation's various transportation interests with a view to promoting the building of more roads, and of better highways.

Synergetic transportation is organized co-operation between all the organizations in the nation offering the public transport services. Its objects are to increase traffic, to lower operating costs, and, as a consequence, to reduce rates of transportation on each. It is secured through mutual recognition of common interests, in the interminable chain of transportation agencies operating at some time, on the *highway*, on the railway or *the sea.* The triple chain of transportation services thereon may be regarded as co-ordinated when arrangements have been effected by which costs rather than rates of transportation have been reduced to the minimum, and nothing is more effective to this end than increasing production, and hence the volume of traffic. Increased, mass or quantity production, at any point of the circle of industrial activity produces increased business for one or more of the country's public carrying businesses. The question is then how to increase production. It is now generally agreed by executives of Canadian railway companies that the common public road is the first link in the chain of transportation services, and that consequently increased prosperity is contingent upon the making by the state of more miles of dependable roads. In this connection, the following opinion expressed by the chief commissioner of the colonization and development department of one of the largest Canadian railway companies is illuminating:

"Our experience is that farmers will haul their products to the railway from distances of 20 miles or more where roads are good. The lack of such roads very greatly reduces the productive radius of freight delivery to our lines.

"The construction of (colonization) roads, when forming part of a well-considered policy having due regard to encouraging settlement only within areas at a reasonable distance from the railway is undoubtedly of very great value in stimulating settlement. In a new community such roads provide at once a means of bringing in supplies and connection between points of production and centres of sale. The construction of such roads by making new country more accessible frequently leads to utilization of resources, thus affording employment, markets, etc., for settlers.

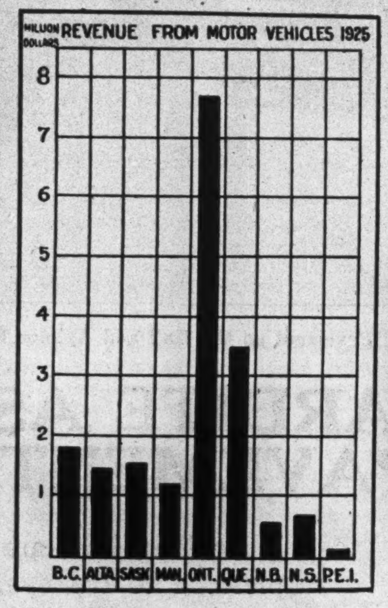
"There is no doubt that good roads, whether colonization or municipal roads, are of great value in holding settlers not only by enabling them to get their products to the market, but also by making possible community and social life. To successfully hold settlers in any district, it is essential that their women folk should be content and happy; and, this has in the past been one of the greatest problems of the West. The building of good roads and the automobile are one solution of this problem. The fact that farmers themselves do much to maintain roads by dragging and similar work is good evidence that they appreciate their value to-day. There is no doubt that nothing has more greatly benefited the farmer and improved conditions of rural life than the automobile; and in order that this benefit may be derived, particularly under conditions obtaining in the West, an efficient system of provincial highways fed by municipal roads is essential."

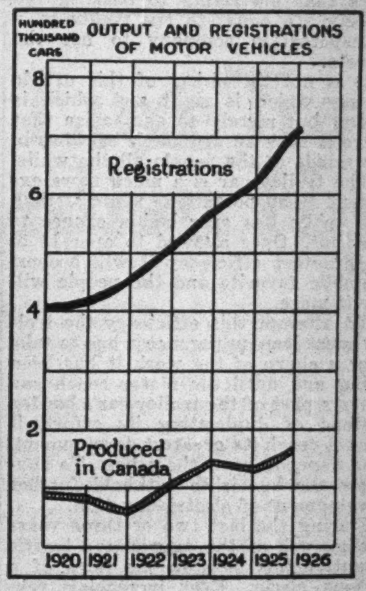
**Settling Northern Areas**

Canada's greatest undeveloped arable areas are in northern Quebec, Ontario, Manitoba, Saskatchewan and Alberta. Here are needed now more roads, and eventually more railway facilities. In all Canada, only approximately one-sixth of areas suitable for cultivation is now under crop. The five-sixths remaining to be taken up and settled do not include the vast areas of rock and rock outcroppings believed to be very rich in

(Continued on page 25)

# HOW AUTO OWNERS PAY FOR THE GOOD ROADS





## *Motor Truck Operation Not Subject to Regulation*

By PROF. W. T. JACKMAN, M.A.,
Department of Political Economy, University of Toronto

Much thought is being given at the present time to the many important issues which have arisen in connection with the use of the motor vehicle upon the public highways. In fact, motorized highways have introduced a new era in the history of transportation and it seems as if we are yet too near to the dawn of this new day to be able to appreciate aright the problems which have come with it and to obtain a clear perspective as to the place of the motor vehicle in the economic mechanism of the time. But a distinction must be drawn between the motor omnibus and the motor truck, for the bus, like the passenger business of the railways, is relatively simple in the organization of its service, while the motor truck, like the freight service of the railways, is much more complicated in its organization and is affected by a much wider range of influences than those which operate in the case of the passenger vehicle. For this reason, the regulation of the motor omnibus has been accomplished with little difficulty, but the regulation of the motor truck upon a satisfactory basis still awaits a fuller knowledge of its place as a transportation agency and of the multitude of factors which must be taken into account as causes affecting and results of motor truck operation. It will be appropriate to consider some of these factors.

In the first place, the motor trucks have not assumed a place of stability in the field of transportation. Their exact status has not been determined by the operation of economic forces, but has been changing under the ebb and flow of business activity. One man considers that his truck can be operated satisfactorily over distances of 75 to 100 miles, and he endeavors to prove that this is possible, while others consider that their limit of profitable operation is not more than 30 to 40 miles. Some operators use their trucks for heavy loads while others are convinced that heavy traffic is appropriate to the railways but not to the trucks. Some try to obtain the largest possible income from their trucks over a short period of time, while others contend for a permanent place in business as a carrier. There has been such a short period when the motor truck has been a real transportation agency—in fact, but little more than ten years—that we are yet unable to determine with any degree of certainty what place the truck will occupy economically in the carriage of goods. The experiments which have been conducted during these years seem to point to a few conclusions along this line, but generalizations cannot be made safely on the basis of insufficient experience. In the case of the Canadian railways, regulation did not come until fifty years after they were well established, during which time their place as carriers had become definitely settled. It seems, therefore, that any attempt to fix by regulation the grooves which the motor truck should occupy and to force it to develop in these channels would be premature and would tend to hamper its growth in usefulness.

A marked feature of all regulated enterprises is the difficulty of securing the investment of private capital in them. It cannot be said that such enterprises, after coming under regulation by some governmental body, have shown those tendencies which attract private investment for development purposes. The tendency of regulation has usually been to stabilize the existing investment, but frequently the return upon the investment has been set so low that private individuals are unwilling to put their capital to such use in return for such a low compensation. There is no doubt that the great incentive underlying business initiative and expansion is the hope of monetary reward and it is doubtless true that the importance of private capital and the assumption of the risks of private capital by motor truck owners, who have done great work in developing the business of the country, have never been given their due weight. In a young country like Canada, whose development still lies in the future, the investment of much private capital is necessary and the only way in which this capital investment can be encouraged is by allowing its operation under as few restrictions as possible and with the opportunity of earning as large a return as is consistent with the public welfare. Such investments should be fostered, not repressed. This principle applies generally to all industry at this stage in our history; private enterprise and initiative, with an abundant reward therefor, should be given the widest range of activity.

In the case of the railways, regulation was necessary on account of the fact that they were the only means for the fulfilment of these public services and the public which wished these services had to deal with the railways whether they wished or not. In other words, the railways were recognized as essentially monopolistic and had to come under regulation in order to protect the public against possible abuse or misuse of their power. This, however, is not true of the motor trucks for the conditions of their operation are entirely different from those of the railways. If a shipper does not wish to send his goods by motor truck he has the choice of other means of transportation, for the motor truck when not brought under regulation as to rates and service, has none of the elements of monopoly which are essential in the railway field. Motor truck operation shows the effects of intense competition. In this respect it is like the operation of tramp steamers on the ocean, the rates and service of which are subject only to the regulative influence of competition. Yet no one who is fully aware of the service rendered by these tramp vessels would ever think of trying to bring them under the control of a governmental regulative board. In the case of motor truck operation, if the shipper considers that the rate quoted by one carrier is too high he can seek lower rates from other competitive carriers; so that competition will prevent the charging of too high rates. But in the case of railway transportation the railway company, so far as the carriage of goods along its line is concerned, is a natural monopoly. It is evident, therefore, that these two agencies are fundamentally different in that one is essentially competitive while the other is naturally monopolistic.

**Truck Operation is Flexible**

The service of the motor truck is largely of a different nature from that of the railway. The former is elastic and can go anywhere; it is not confined to a fixed right of way as are the steam and electric railways. It can stop at any point along its route and take on or put off freight. It operates chiefly as small units so that the amount of capital in any of these units is almost negligible in comparison with that required by a railway. The motor truck has a flexibility of operation and an adaptability to the multitude of conditions attending freight shipments, which are in distinct contrast with the rigidity of the railway service which must be carried on upon a definite line. It furnishes an expedited service which the railways could not give with any regard to economy, and it is the only appropriate instrument for rendering emergency service in the handling of such freight as is outside of the category of express business. Moreover, the truck service differs from the railway service in being largely short-haul carriage. One need only survey the conditions in Ontario to realize that the amount of long-haul business (i.e., up to and over 50 miles) done by motor trucks is probably not more than twenty per cent of their total. This short-haul service enables them to relieve railway terminals of any possibility of freight congestion, and thus make it possible for the railways to utilize their terminals more satisfactorily and to realize the benefits of their appropriate and long-haul business. The railway companies know that much of this short-haul traffic is unremunerative and yet unless they are relieved of it they will have to handle it. A large part of this motor truck traffic carried on short hauls consists of foodstuffs of all kinds (such as milk, fruits, vegetables and animals) and materials used in manufacture, and in these things speed in making deliveries is important, not only for the perishable but also for the durable commodities, for, even in the case of the latter, people are buying more from hand to mouth now than they did some years ago and they want goods promptly. Shippers are primarily interested in service and when, in addition to giving a higher grade of service in the short-haul L.C.L. business which is appropriate to them, the motor trucks can give also a cheaper service, their field of operation will tend to widen constantly. This lower cost arises from several facts: there is no expense for packing when goods are sent by truck, no expense of cartage of goods to and from the railway depots, no charge for demurrage because goods are not loaded or unloaded promptly, and, in addition, when goods are delivered promptly there is a saving in interest charges on the capital involved proportionate to the economy of time. This faster and cheaper door to door service from shipper to consignee, with which the railways cannot compete on account of terminal delays and expenses and operating conditions, shows that the motor truck service partakes largely of a different character from that rendered by the railways. Like the parcel post and express businesses, the motor truck competes with the railroads only to the extent that it handles business which might, if there were no such service, be handled by the railways.

**Regulation Not Essential to Service**

On account of the different nature of the service fulfilled by these two transportation agencies, it is clear that they stand upon different planes and should not be treated alike. There are many who say that, since both are acting as public carriers and as competitors, and since the railways are regulated as to their rates and services, therefore the motor trucks should be regulated in the same way. The conclusion is not justified. If the motor trucks are unlike the railways in being essentially competitive, and competition will determine the rates upon an economic basis, it seems consistent to say that regulation is not necessary in order to the determination of reasonable rates for truck haulage. The same thing may be said in regard to service; for as long as competition prevails among motor truck operators the character of the service is not likely to deteriorate. It is only when service is rendered under

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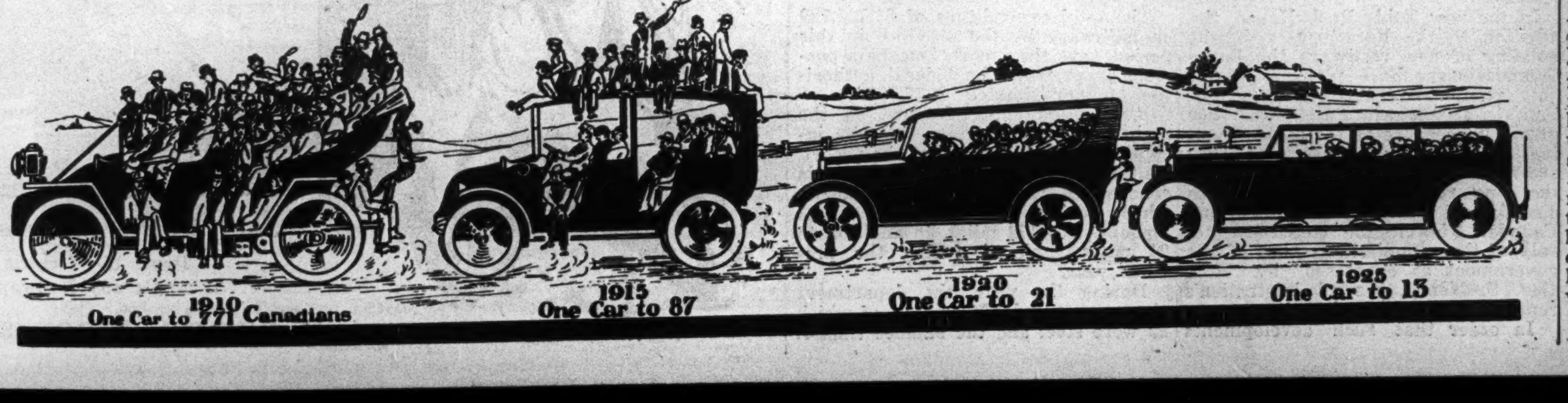
## Owning a Motor Car Was Exclusive in 1910, But Now—

Back in 1910 that man who could boast ownership of a motor car was a privileged man. With his brass-bedecked, doorless and coverless machine, he made a decided impression wherever he went. He was exclusive. There were but 9,000 car owners in Canada. Putting it another way, there were 771 persons to every car. As time passed, however, the glamor began to wear off. Five years later it was not nearly so great a source of pride. With lower automobile prices and more money in circulation approximately 90,000 cars bore Canadian license plates. By 1920 the motor car was emerging from the luxury class, and was almost established as a necessity. With nearly half a million in Canada the thing had begun to grow common. There was now a car to every 21 persons. Five years shows a big development in Canada, and by 1925 the glamor had almost worn away from the ownership of a motor car. There was one to every 13 persons—one to every three families—a total of 728,005. They were distributed by provinces in the following proportion:

| | |
|---|---|
| Prince Edward Island | 2,955 |
| Nova Scotia | 22,853 |
| New Brunswick | 19,022 |
| Quebec | 97,657 |
| Ontario | 344,112 |
| Manitoba | 51,241 |
| Saskatchewan | 79,078 |
| Alberta | 54,357 |
| British Columbia | 56,618 |
| Yukon | 112 |
| Total | 728,005 |

Nearly Possible to Put the Whole Population on Wheels Now



# More Than 2,500 Motor Buses in Use in Canada

### Common Carriers and Tram Line Feeders in the Majority

### SIGHT-SEEING LINES

### Many Consolidated Schools in the West Use Buses to Assemble Pupils

So rapidly is the motor bus coming into general use that it would be difficult to get any estimate of the number of routes operating at any time. The movement has spread in all parts of the western hemisphere, most progress being made in the United States and Canada. A conservative estimate would probably be that 2,500 motor buses are now in operation in the Dominion. Most of these lines are operated by municipalities, by traction companies as feeder tramway lines, by schools, by sight-seeing companies, etc. The development of passenger bus services between Canadian cities and the larger cities in the United States is beginning to develop but as yet is in its infancy. It is estimated that there are now 70,000 motor buses in use in the United States, operated largely by electric railways, steam railways, sight-seeing companies and independent transportation companies. It is estimated also that there are 232,000 miles of common carrier bus operation in the United States, and 250 electric lines now operate 5,100 buses on 5,132 miles of route. 6,455 common carrier operators have 28,145 buses in service regularly. Then again the buses come into very general use by consolidated rural schools. It is stated officially that 26,751 buses are now used by consolidated rural schools in the United States and that 691,000 children are transported by motor bus daily. In Canada the use of the motor bus, although comparatively recent, makes very material progress as the result of satisfactory service given by the vehicles and the construction of excellent highway systems. Until 1925 buses were operated in a few cities as feeder lines to the main tramways system but improved highways and demand for more frequent service through outlying districts than was offered by the railways, resulted in the establishment of interurban transportation system, especially in the more populous provinces. Tramway companies, realizing the value of bus service, are employing it instead of extending their tracks, because of the lower capital investment and maintenance charges and the severe competition encountered from independent bus lines. These factors have made the tramways the principal operators of motor buses in Canada.

In estimating the future market for motor buses it should be taken into account that the railways have been, and still are, not only the main arteries, but the basic transportation framework of the country, and between important cities in the East and West they can not be profitably supplemented by motor bus lines, owing to certain factors such as the severe winter climate in some parts, comparatively low freight charge of the railways and the small number of intervening towns. Passenger traffic, however, within 50 miles radius of large municipalities is steadily turning to buses, and because of this it is probable that the two large railways will soon apply for charter for bus operation in such sections. Excellent roads in cities and suburbs offer opportunities for expansion in motor bus transportation and with modern equipment for removing snow in the winter months, the operation of these conveyances would be made feasible through the entire year.

**Bus Lines by Areas**

There were 23 motor buses operated in the province of Nova Scotia during August last; most of these were operated as independent carriers but a few were used for sight-seeing for tourist traffic.

In New Brunswick there were only 6 buses in regular operation in December last and all of these were owned by private individuals. Three in Moncton and three in Fredericton. A recent investigation showed that there were no bus lines operated in Prince Edward Island.

Since the beginning of passenger bus transportation in Quebec about three years ago, approximately 100 lines have been established and the expansion is continuing at such a rate that the provincial government is inclined to limit the number of buses operating on the thoroughfares there because of congestion and destruction to the roads. Until a reasonable basis of co-operation between motor bus lines and other transportation facilities is arrived at, the establishment of additional bus services over regular routes will probably be limited. Up to December last 307 buses were registered in the province but

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# Unify Bus and Trolley Service to Solve Rapid Transport Problem

## Skip-Stop Trolley System in Conjunction With Motor Bus Service Gives Option and Saves Time

By CARL PARKER.

BOTH buses and trolley cars can be employed efficiently in city service where the mass problem at certain peak hours must be taken into consideration when they are properly unified under one operating management.

As surprising as it may sound, it is possible at one stroke to provide rapid transit, to greatly reduce vehicular traffic congestion and to an appreciable extent solve the parking problem.

The efficiency of the city motor coach depends upon the efficiency of the trolley system and certainly the trolley car needs to be co-ordinated with the motor coach to function at its best.

Both the trolley and the bus face the problem of selling enough fares to obtain revenue in excess of cost of operation.

Both have the same competition, namely privately owned motor vehicle and it will continue to be a serious competitor until the public can be shown the advantage of using public conveyances for their daily routine travel to and from their home, work and shopping. Until that time the public will continue to use their private automobiles in preference to common carriers and the people are not going to take kindly to any action that tends to prevent them from parking their cars, rightly or wrongly, on the city streets. But if the time arrives when we can show automobile owners that it is more convenient and cheaper to use trolley cars and buses for intra-city travel, they quite naturally will be glad to leave their cars at home which itself will reduce the number of parked cars at the curb.

Let's analyze a cross section of a business thoroughfare from curb to curb. We find first that the street car is the slowest moving vehicle and contrary to the rules of the road, it is operating in the middle of the street. We find next a number of automobiles parked along each curbing. Although they are consuming a total on both sides of the street of 12 feet to 14 feet of usable street surface they at least are not stopping traffic.

We find vehicular traffic in most cities coming to a complete stop behind street cars that stop at every corner to take on and discharge passengers. This creates congestion by slowing down the entire movement within the streets. The movement could be no faster were there no cars parked at the curb.

### Traffic is Held Up

It is illegal and highly dangerous to go around a street car to the left. Making it illegal to pass a standing street car stimulates racing to the next corner. Recognizing the pedestrian's right in the streets, ordinances have been passed affording him protection. This protection is slowing down traffic throughout the city. Inasmuch as we cannot part with the trolley car and inasmuch as it would probably be unsafe, or at least tremendously expensive, to put the trolley car tracks over near the curb where they would not dam back vehicular traffic and where pedestrians could board the car without walking through traffic, it would seem at least on paper (and all action must start first with an idea) that the problem is reduced to the fundamental necessity of speeding up the trolley car which is now the slowest moving vehicle in the street. Not slow because it lacks velocity while under motion but because it loses so much time stopping at every corner.

To cut down the running time we would then have to adopt the skip-stop plan, skipping several stops and make the street car a faster moving vehicle. The less stops the more rapid its own movement and the more round trips one car can make every day and hence fewer street cars will be needed.

For every street car that can be thus dispensed with the operating company can buy at least two motor coaches based on the average price. Thus it is quite probable that the traction companies are paying for these buses whether they get them or not.

Now then, an electric service that stopped only at every fourth or fifth intersection would doubtless be unpopular except for the through passengers living in the suburbs. Wherefor we must co-ordinate with motor coaches, which because of the fact that they stop at the curb do not hold back other vehicular traffic, will be allowed to stop at every intersection. This gives the public a choice of two unified services.

On a line in a metropolitan city in the east the average speed of a street car is from four to seven miles per hour according to the time of day. In the majority of American cities 10 miles per hour for a street car is considered excellent operation although there are a few instances where an average of 12 to 14 miles per hour is accomplished but this condition could not be duplicated in all other cities.

A car rider measures the service by the length of time it takes him to reach his desk or his work bench from the breakfast table. No matter what kind of a motor car he owns, he is paying a good price per mile for furnishing his own transportation and he knows it but he puts sufficient value upon his unemployed time that he is quite willing to pay the price.

### Fewer Car Stops Better

People like to keep moving. Constantly stopping is not only monotonous to the passengers seated in a trolley but it is both monotonous and exasperating to the driver of a motor vehicle in behind a trolley car. Take the monotony out of city transportation and more people will ride. Speeding up the trolleys will revitalize some of the lost public good-will.

The psychology of the situation must be taken into consideration. The automobile owner quite naturally feels that his rights to park in the streets are equal to the rights of a transportation company to use the streets.

It is not the object of this article to say which is right and which is wrong but merely to emphasize that there is such an argument brewing in the minds of the people all the while.

The trolley car is a much more excellent transportation agency than the public has ever had a chance to find out. Once allowed to operate to its greatest efficiency it will become a public favorite and the people will use it more.

To attempt this efficiency the trolley must lean on the motor bus to take over a share of the work it has been doing and until the motor coach can share a part of the trolley car's burden instead of duplicating its effort, it cannot reach its greatest development. One depends upon the other. To suppress the bus is to withhold further development of electric traction.

During the last two or three years the growth of the aggravated traffic situation has been in the form of a vicious circle. Ever increasing vehicular traffic has made trolley and bus operations more clumsy; and the clumsier it became the less people would ride and the more they would want to own a car of their own which in turn again increased the traffic problem. If we can start at some point on this circle and do just one little thing in the way of speeding up traffic and make trolley car and bus riding just a little more desirable, there will be more and more people all the time preferring to use it and leave their own cars at home thus reducing the traffic congestion and the parking problem somewhat. Then the whole thing will begin to unwind to the point where it is not too much to predict that the utilities will face an era of prosperity greater than any they have ever known.

Electric Railway Journal states that 28,000 new street cars are needed in this country to bring the equipment up to the present requirements of efficiency because of fact that 34 per cent. of the street cars in the United States are more than 20 years old and only about 6 per cent. of them are less than 5 years old. Street cars have gone up in price and not much in quality, while motor buses have gone way up in quality and down in price.

If by adopting the skip-stop plan the street cars can be speeded up and they need approximately only 20,000 news cars instead of 28,000 and still cover as many miles per day and handle as many pasengers as under the old order of things, then money they could save on approximately 8,000 cars would buy at least 15,000 motor coaches according to the average of the prices.

## Highways Get "Tired" Just Like Humans Do

"Concrete Highways get tired just like people who ride over them," according to F. S. Steinberg, assistant director of the Highway Research Board of the National Research Council of the United States. This is one of the questions now being studied at universities and elsewhere in institutions engaged in highway research.

Much attention has been paid to the problem of the cause of cracking and chipping in concrete roads. It is stated by Professor Steinberg that the extent of cracks in a slab is dependent upon the underlying soil, the quality of the concrete and the loads the pavement must bear. When a vehicle passes over a contract pavement the slab is deflected. As a result, under traffic loads, the road is subject to a wave-like action, the slab rising and falling with each passage of a wheel. When vehicles are passing over a road at high speed this motion may be repeated many hundred times an hour.

Experiments have been conducted in the laboratory simulating these conditions with the discovery that concrete is subject to fatigue which in many respects is relative to muscular fatigue of a human being. After continued rapid application of loads, all the elastic properties of the concrete are overcome and the fatigue limit is reached. The result is a break in the concrete and the appearance of a crack in the road. The analogy of muscular fatigue is further evidenced by the fact that the concrete is later submitted to a long, period of rest. It recovers the stability to resist the applied forces, and the fatigue limit or life of the slab is extended.

The stresses produced in roads by traffic as well as the deflection are measured by specially constructed instruments installed in the road. An analysis of the measurements served to determine the proper thickness of the road slab under different conditions.

It is stated that new possibilities are opened up in road constructions by the development of a type of cement which has the property of developing greater strength in 24 hours than developed by the ordinary cement in 28 days. Whereas by the use of ordinary cement a road must secure or acquire strength for 14 days after being laid, during which time it is not permitted to carry traffic, it may be possible to build a portion of the concrete on one day and open it for traffic the next. Studies are under way to determine more fully the character of this cement.

## *Illumination Has Revealed A New Niagara for Toronto*

The sentiments expressed in the song by the "twelve o'clock fellow in a nine o'clock town," have long been held by visitors to Niagara Falls. When the sun went down the show was all over and the various places of business and entertainment shut up for the night. Now all is different. With the illumination of the great cataract there has been developed a night life which has its reflection not only in the automobile traffic through the environs but in crowds of tourists at the refreshment booths, souvenir stands, dancing pavilions, etc. Not only do people who lost interest in Niagara about the honeymoon stage want to see the falls all over again, but Niagara Falls park has been rediscovered by electricity and its many attractions have taken on a new lease of life and activity.

To meet this new situation, and to accommodate the crowds of night visitors—as well as take advantage of the business developing—the Victoria Niagara Park Commission, which operates under the legislative control of the Ontario government, has been increasing facilities just as rapidly as modern methods of construction will permit. Additional facilities for entering and leaving the park area are being provided, it having been found that there was serious automobile congestion and delay at the park entrances as the night visitors left the grounds. A new and larger building has been erected at Table Rock and other plans carried out to provide accommodation and entertainment for the night visitors.

An example of how the work has been carried through so as to get the full advantage of the spring and summer business this year is to be found in the new Table Rock House. This was erected during the winter and this presented unusual difficulties. In order to carry on the work a complete shell structure was erected as protection against the freezing spray. This was heated and the workmen were thus enabled to carry on during the cold weather and have the new building ready for this season's visitors.

In the new Table Rock House, the addition to the Refectory and the building of new roadways the Parks Commissioners have planned to not only acommodate the new crop of tourists at Niagara Falls which has grown up because of the night illumination but they believe that they are making investments which will in the long run prove profitable both directly and indirectly to Ontario and Canada. This is the conviction not only of the commissioners but of the government as expressed by Hon. Geo. S. Henry, the administration's representative on the board.

In order that such developments and improvements referred to may be carried out expeditiously and not be dependent upon the current revenues of the Parks Commission from annual water rentals, as provided in the original legislation passed some 25 years ago, the present government has adopted a new policy. Under this arrangement, as outlined by Hon. G. S. Henry, the commission's expenditures are not based upon its revenues, which have greatly increased since its formation, but upon its needs. Annual surpluses are turned over to the government which thus has a revenue from the Niagara water rentals and capital expenditures are financed by bond issues guaranteed by the government.

Under this new financial arrangement the developments referred to are being financed as capital expenditures while at the end of 1924 a surplus of $75,000 was turned over to the government and $100,000 will be made available to the government as the surplus from 1925 revenues.

As to the general development of the Niagara river front as a tourist attraction, the Parks Commissioners feel that they have created an asset which will justify the investment in the years to come. American border cities they say are now regretting their industrial developments, which have destroyed scenic beauties and are endeavoring to secure areas along the waterfront for parks purposes.

## Alberta Adds 172 Miles to Hard-Surfaced Roads

Since the province of Alberta commenced its highway building program under the federal aid plan, the work starting at the beginning of the season of 1924 and continuing during 1925, a total expenditure has been made of $1,735,729, of which amount $179,505 was spent on the main highway between Calgary and Edmonton.

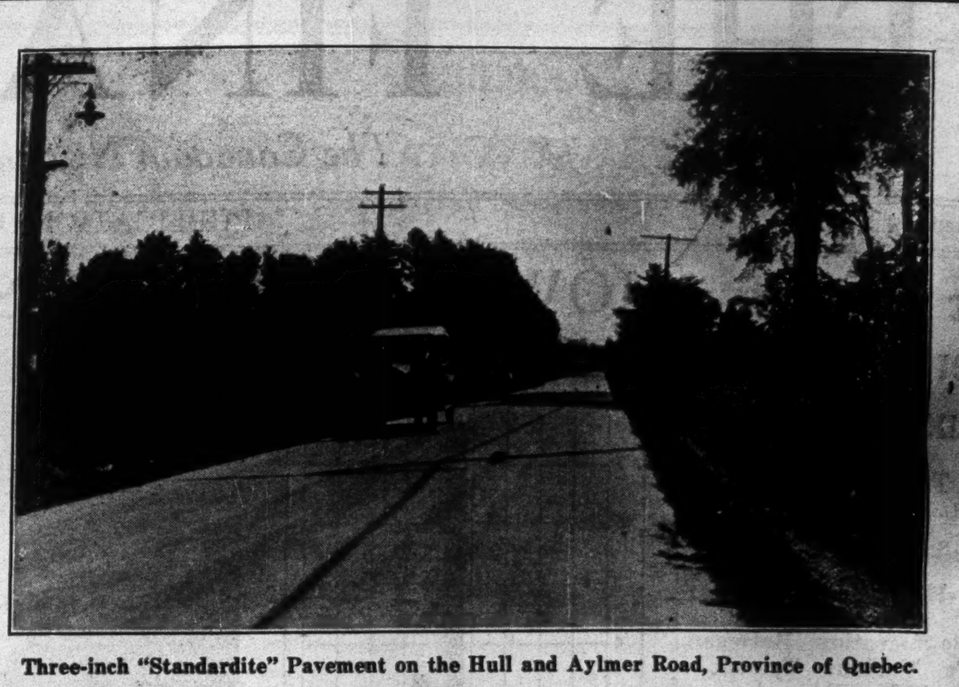
These and other interesting facts are contained in the annual report of the department of public works just made public.

The total expenditure of $1,735,729 on highways by the province in this period, says the report, "means a possible grant from the federal authorities of approximately $677,000."

"An outstanding feature of the main highways program since its inception in 1924," continues the report, "is the mileage of all weathered roads constructed, that is, gravel surfacing, which during the season of 1925 amounted to 172 miles, in addition to 29 miles surfaced during the previous year.

During the year, the department also constructed 354 bridges of which 29 were steel and the balance timber. Also, 159 bridges have been repaired.

The year also saw the completion of the Alberta and British Columbia boundary survey undertaken by the commission appointed in 1913 from the international boundary to the north boundary of township 97, a distance of approximately 780 miles. From the north boundary of township 97 to the north boundary of the province, a distance of 175 miles, is still unsurveyed.



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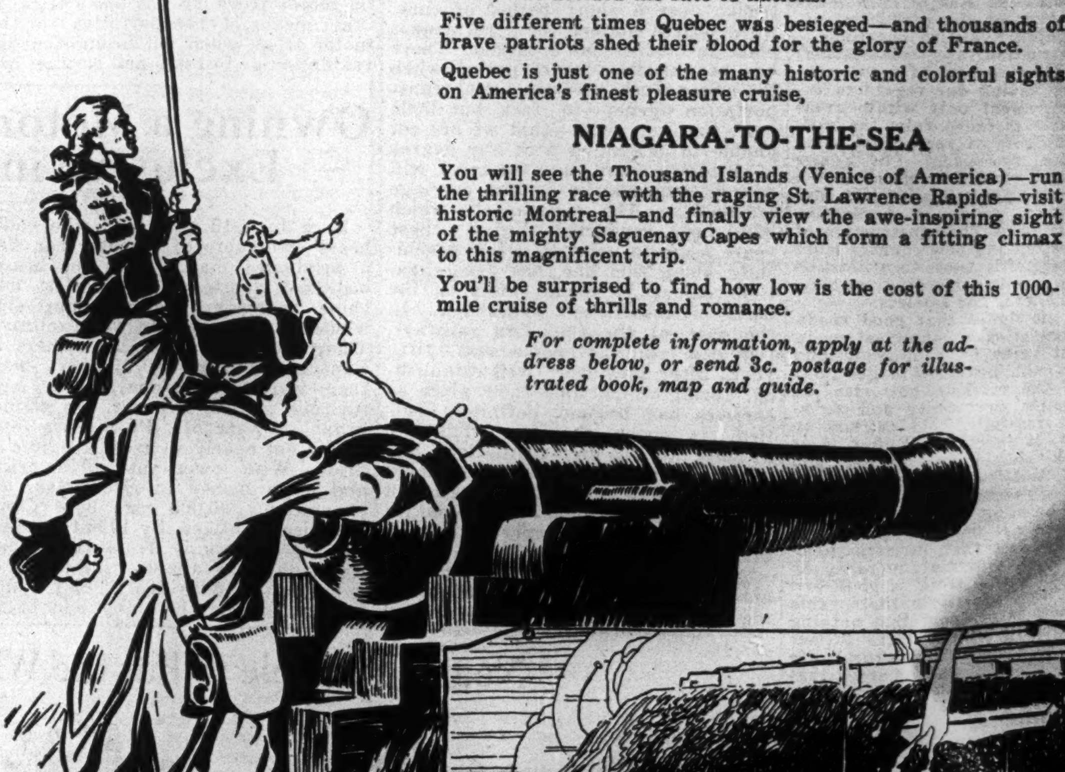

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# Each Branch of Transportation Has Distinct Economic Field

## Motor Bus Competes With Steam Railways Only in Narrow Field in Canada — All Systems Should be Co-ordinated

By R. A. C. HENRY, Canadian National Railways.

IN CANADA and the United States transportation by land is the very backbone of our civilization. This is a country of great distances and vast industrial communities have been built up around our transportation facilities. This, in one sense, has taken place with great rapidity, but in the life of the individual, so gradually that one is prone to overlook the keystone of the whole structure which, upon analysis, is discovered to be transportation.

An economist, whose name I do not at the moment recall, has made the statement that civilization in America was as yet an experiment, and that it was by no means certain that it would ultimately survive because of the transportation difficulties by land.

Be this as it may, it must immediately become evident to the serious observer that the more adequate, expeditious, efficient and economic we make our transportation system the better able we will be to maintain our world position from an industrial and economic standpoint.

North America is a land of vast resources and, I think, has all the principal minerals available except tin and potash. These resources, however, must in most cases be transported long distances to be utilized in conjunction with other resources from other places for the convenience of man.

A very simple illustration of the problem of distribution, and yet a very good one, is the mail. We are all very familiar with what actually happens in this case, but I am not sure that we all actually realize how sensitive the machinery used in handling the mail actually is.

Millions of letters are written every day; these letters are placed by the individual in letter boxes; they are gathered up every few hours and transported to a central sorting house where they are sorted, placed in bags and in a remarkably short time are speeding through the medium of some transportation facility to the thousand and one centres of destination, at which they are again sorted and distributed to the individual.

If we stop and consider the distribution problem as affecting this very city, or any other city of this size, we will at once realize the importance of the problem of distribution and the part which the various transportation facilities must play in solving that problem.

People require to be transported from place to place. Food products must be brought in from the four corners of the earth to sustain the people; raw products have to be brought in from many sources to provide for the industrial requirements of the workers, and the products of their labors must in turn be taken to many markets in exchange for other materials from these markets.

In order to form some opinion as to the type of transportation service required, it is necessary to consider in some degree the characteristics of the traffic. The first classification would be as between: (a) passenger, and (b) freight. Obviously, the requirements in each of these types of traffic is different and must be handled differently.

### Traffic Requirements Differ

Passenger traffic may be divided into several classes, each requiring a different character of service, amongst which might be mentioned:

**(a) Short Distance Urban Traffic**—Such as is involved in medium sized cities and requires the movement of large masses of people to and from their homes and places of occupation. The characteristics are: Heavy peak load, high frequency, comparatively short haul, average time of passengers in transit comparatively short, and necessity of low fare.

It would seem that the motor vehicle has a distinct field in handling this class of traffic in co-operation with and supplementary to the electric railway.

**(b) Suburban Traffic**—As most of our cities increase in size and importance, become compactly built up, and property value as well as taxes rise, people are inclined to seek the open spaces beyond the city limits where land is cheaper, taxes light, and more freedom possible. This brings about what is known as suburban development and may extend to a radius of thirty or more miles from the centre of the city.

Most of the people living in this suburban area work in the city and must be transported to and from the city daily. The characteristics of this traffic are heavy peak load for two short periods during the day with very slight traffic during the balance of the day; high frequency for limited peak periods; reasonably high speed, so as not to absorb too great a proportion of the workers' day, and low fare so as not to absorb too great a proportion of the workers' daily compensation.

This service is now being performed by steam and electric railways and also by motor vehicles. The steam and railways operate on private rights-of-way with comparatively few stops and, consequently, are in a position to handle a very dense traffic during peak periods with great expedition. The motor vehicle runs along the public highway, is very convenient for persons living upon such highway and, when traffic on or across such highway is not heavy, can perform satisfactory service. Beyond a certain density of highway traffic it would appear that the motor vehicle would require to be provided with a private roadway to give satisfactory and expeditious service.

**(c) Local and Interurban Traffic**—This is traffic between cities and to and from local points beyond the suburban zone. This must be such as to provide for the movement of passengers locally and between fairly large centres. The service must be regular and of reasonable frequency. There is perhaps a field here for the motor vehicle as supplementary to, and perhaps in some instances in substitution for steam and electric railway services.

**(d) Long Distance Traffic** — In countries such as Canada and the United States, where distances are great and the average distance of travel necessary to permit and maintain business intercourse between various sections of the country comparatively long, a service is required whose characteristics are high speed, reasonable regularity, sleeping, toilet and restaurant accommodation.

This is a field which, up to the present, has not been invaded by the motor vehicle to any extent, and presents many problems from the standpoint of the motor vehicle which must be solved before the motor vehicle can hope to compete with the other established forms of transportation.

**(e) Tourist Traffic** — The experience of the past few years has indicated that the motor vehicle, both common carrier and private, has a decided attraction for the tourist, and not only has the traffic been heavier, but a greater and greater proportion of some classes of such traffic has been handled by the motor vehicle either private or public.

### Freight Traffic

**(a) Handling Within Large Centres**—This involves movement of freight from one point to another within large terminal area. The characteristics of this traffic are usually a preponderance of small packages, high peak, frequency of service, short haul, frequent handling and high cost. The steam railway is concerned in this traffic only to a limited extent in the movement of carload freight. The electric railway, to a somewhat greater extent perhaps than the steam railway, but the motor vehicle is a very important factor in this field where the haul is in excess of three miles, where loading and unloading is done by hand and where climatic conditions will permit.

**(b) Radial Service from Large Centres**—This would include the area of varying extent within the sphere of influence of a large centre, and would involve the movement of farm products into these centres, as well as the movement of raw materials and manufactured products between this centre and smaller communities within the sphere of influence of the larger centre.

The characteristics of this traffic are usually a high percentage of comparatively small packages, or what in railway parlance is called less than carload (L.C.L.) freight—from this, of course, is excepted construction material which is very important.

In the handling of this class of traffic the motor vehicle has I think an important place.

In comparing service, regard must be had to ascertain whether or not conditions are comparable. In the case of mail, we know that by placing a special delivery stamp on a letter speedy delivery may be insured. It is possible to take a truck, load it at the warehouse of one consignor in one centre and deliver it to a consignee in another centre, say fifty miles distant, and make delivery with great expedition; it is possible for a truck to call at several places in one city and collect parcels of freight from several consignors for a number of consignees in another centre several miles off and still make delivery with considerable expedition.

Both these illustrations involve handling only once at point of origin and destination which is possible in the cases mentioned and in consequence the expense, delay and chance of damage due to two additional handlings are eliminated. But only a comparatively small volume of the total freight traffic moves this way. There are actually thousands of consignors in each of these larger centres, and their shipments of L.C.L. packages are consigned to many consignees in many different centres, so that the extent to which the sortation of packages at point of origin and destination can be eliminated is probably not as great as is commonly thought.

It is obviously unfair to compare delivery time of L.C.L. shipments requiring sortation at point of origin and destination with the delivery time of freight which does not require sortation. Neither is it open to any serious argument that for L.C.L. shipments up to a limit of haul as yet undetermined, where one handling at each end of the journey will suffice, the truck is more economical than other forms of transportation requiring two handlings at each end of journey.

**(c) Local Inter-Station Less Than Carload Traffic**—This would include the collection, sortation and distribution of L.C.L. traffic from all the numerous stations, including the larger centres—but excluding the radial movement referred to in the last preceding classification. The characteristics of this traffic are small packages, irregular movement, diversity of origin and destination. At the present time in Canada the motor vehicle is not a competitor in this field.

**(d) Carload Long Distance Traffic**—This includes the heavy bulk freight loaded in carloads and moving throughout the country. The characteristics of this traffic are bulk, irregularity of movement involving empty back haul, and comparatively long haul. The motor vehicle has not up to the present time become a serious competitor of the other forms of transportation for this traffic.

### Ratio of Peak to Base Load

There are two factors which are very important in connection with the development of the motor vehicle and which do not appear to have been given sufficient weight in estimate of cost of the operation of these facilities; one is the question of percentage utilization of equipment or the ratio of peak to base load and the duration of such peak, and the question of obsolescence of vehicle due to the rapidity of its development, present and prospective.

It is not an uncommon thing for the peak load to amount to from one and one half to three times the base load and to extend over only very short periods nor for the empty return movement to be from 25 to 50 per cent. of the loaded movement. This means that a large amount of capital is tied up in equipment which is used only for short periods and that not only is the interest charge, but also the operating expenses higher than would be the case were the load more evenly distributed throughout the day.

By way of illustration, D. W. Harvey, general manager of the Toronto Transportation Commission, has given me some very interesting figures in connection with traffic conditions encountered in Toronto:

| | A. M. Peak | Base | P. M. Peak |
|---|---|---|---|
| Cars ....... | 735 | 297 | 880 |
| Buses ...... | 21 | 18 | 32 |
| | 756 | 315 | 912 |

From this it appears that the morning peak is 2.4 times the base load and the evening peak 2.9 times the base. With respect to the evening peak which involves 145 cars more than the morning peak, it may be of interest to know that those cars only make one trip for five days each week.

Another interesting feature in connection with the movement to and from your downtown terminal district is that the capacity of street cars for overload for short periods reduced the actual car requirments on a strictly seating capacity basis 38 per cent. for A. M. peak and over 48 per cent. for the P.M. peak. During the balance of the day only 61 per cent. of the seating capacity actually available was actually used.

In Montreal the situation is much the same. K. B. Thornton picked a day at random and the figures indicate a morning peak of 635 cars and an evening peak of 750 cars with a base of 350 cars, so that the peak is of the same order as that in Toronto.

It is a well-known fact that the overload capacity of a bus is very limited and the prevailing practice is to carry only passengers for which seating capacity is available. Hence it is easy to see how much more capacity would have to be provided for a comparatively short period in Toronto and Montreal if one could imagine the street railway eliminated and replaced by buses.

On the National Railways for all Canada the car requirements for a period of one month to six weeks are 150 per cent. of the average. The empty freight car movement is also an important factor on Canadian steam railroads freight service. It amounts to 33 per cent.

There is no reason to suppose that in the long run the motor vehicle will be more fortunate in this respect than other forms of transportation.

With regard to the question of obsolescence, it is reasonable to suppose that a great many changes in the type of vehicle will be necessary before the motor actually does take its proper place in our transportation scheme and, judging from experience, these changes are likely to be rapid; hence obsolescence is bound to be a considerable factor.

An analysis of the various factors which appear to influence in large measure the use of the motor passenger vehicle discloses a rather curious fact, and it is that the convenience of the motor vehicle is apparently the predominant consideration in the public mind at the present time. This consideration apparently far outweighs consideration of expense, comfort, safety and speed, and apparently, when the motor vehicle becomes less convenient due to the lack of parking space, congestion, or other cause, a more convenient form of transportation is chosen. This is a phase of the general problem affecting steam and electric railways which should perhaps be given more careful study.

Following are some conclusions that may be drawn from what has been said.

1. The motor vehicle has a distinct economic field in passenger and freight service under certain conditions measured either from the standpoint of convenience, expedition or cost.
2. To the extent to which the motor vehicle can, all factors considered, perform more convenient and economic service than existing forms of service, it should and must ultimately supplant them.
3. If one leaves the private automobile out of consideration, the motor vehicle is in competition with steam railways in Canada in a comparatively narrow field.
4. The great majority of motor vehicles at the present time are not operated as common carriers, but by individual owners on their own behalf.
5. It is desirable that all forms of transportation be placed upon a basis which will not give any unfair advantage to any of these facilities in competition with others.
6. It is distinctly in the public interest that co-operative effort should be exerted to the end that each of the various available facilities should be assigned to its most economic field and that the services of each should be so co-ordinated as to produce the most convenient, adequate, regular, expeditious and economic transportation system possible.

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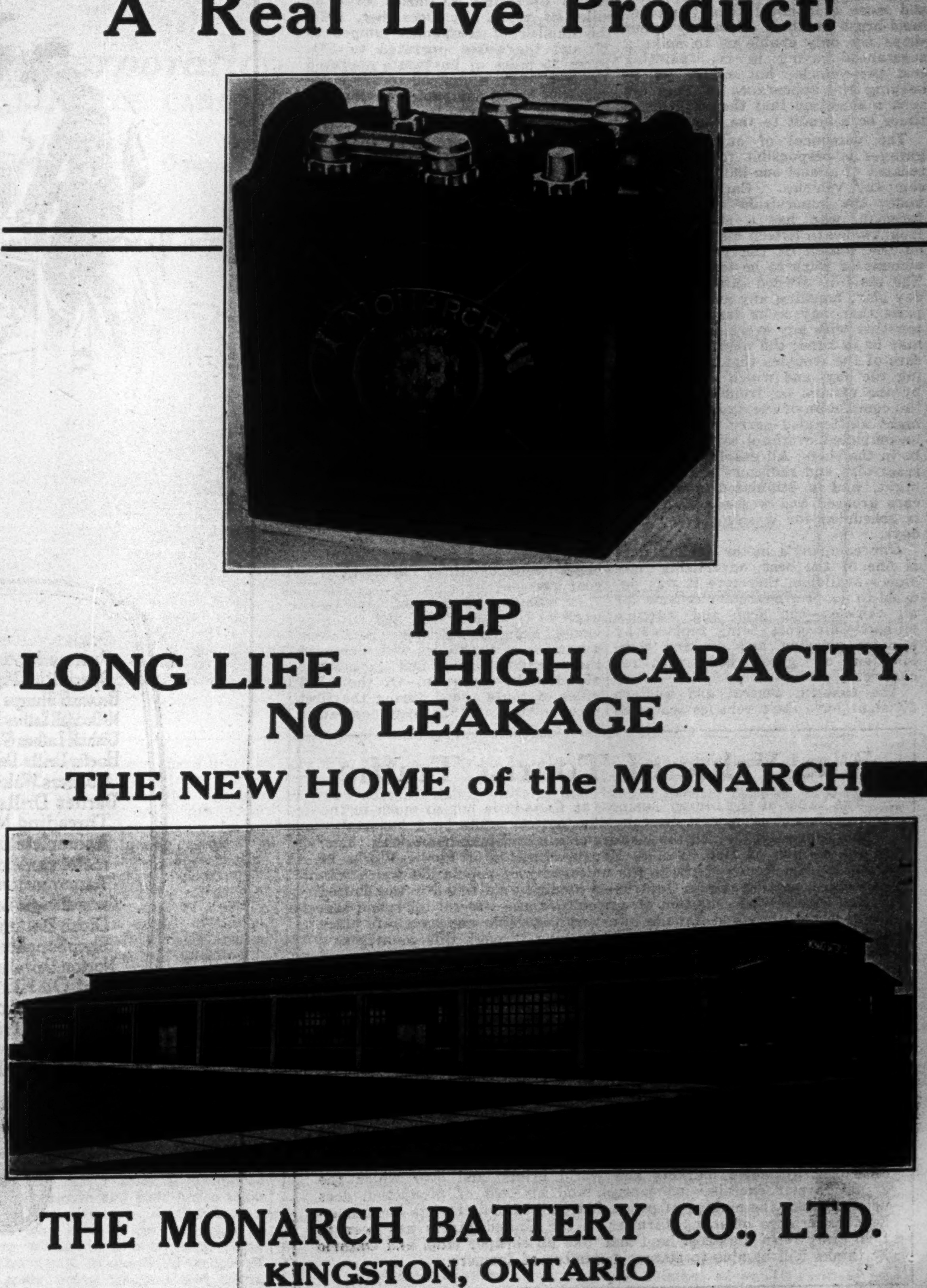
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# MOTOR TRANSPORT INDISPENSABLE IN TELEPHONE WORK

## Bell Telephone Company Operated 385 Cars Last Year

Motor transportation of men and material has become an indispensable factor in everyday telephone work. It can undisputably stand near the head of the list of labor-saving devices adopted by the telephone companies during the past twenty years. The use of motor vehicles is perhaps more closely related to plant operation than commercial or traffic, although the motor car is used for supervisory purposes throughout all departments.

The growth of our own motor vehicle fleet was from a single unit in 1909 to four hundred and twenty-nine cars and trucks in 1926. Our present fleet if lined up end to end would extend as an unbroken line for one mile. It is also the largest number of cars and trucks owned by any one company in Quebec and Ontario, and stands as second largest company fleet in Canada.

The total investment in company vehicles will have reached approximately $725,000 this year. In 1925 we operated 385 cars and trucks, which traveled a total mileage of 2,601,950 miles during the year — a mileage equal to approximately 104 trips around the world.

The total cost of operating these cars for 1924 was $394,072. Some of the major items being: 223,095 gallons of gasoline, $61,795; 10,000 gallons of lubricating oil, $7,819; tire and tube replacements, $21,554; total cost of repair maintenance, $58,393.

Of the 429 cars and trucks which the company will operate in 1926, 248 are under one ton capacity, 145 are from one ton up to and including two ton, 36 are over two ton capacity. They are distributed among the divisions as follows:

Montreal 100, Toronto 90, Eastern 99, Central 77, Western 60.

As Montreal and Toronto divisional fleets are all located in their respective cities, their growth necessitated in 1925 the building and equipping of two of the finest garages in the country—the Toronto garage being located at 1090 Shaw Street and the Montreal garage at 207 Mountain Street.

Both garages are equipped with the most modern repair shop appliance including lathe, drill, grinder, press, etc.—machinery which greatly facilitates and assists in night repairs, allowing innumerable small jobs to be completed that would often have to be held over awaiting repairs at an outside machine shop.

Montreal and Toronto garages are also equipped with modern paint shops—the spray system of painting being adopted as it is much speedier and more economical than the older hand-brush method. Company paint shops not only enable us to make a substantial saving in the painting cost per vehicle, but assist us in keeping the appearance of cars in such a condition that they will at all times be a credit to the company.

The personnel of our two large garages is responsible for the maintenance of almost one-half of the total company vehicles. Each garage is under the supervision of a garage foreman, who has a staff varying from twelve to fifteen men, depending on the season of the year and the amount of work to be taken care of. The staff is divided into shifts—the day shift handling any emergency repairs that may occur during the day, together with any overhaul work that may be in hand; the night shifts take care of the troubles that develop during the day, and which are reported by the drivers on trouble tickets at the completion of the day's work. The night shifts also carry on with any uncompleted overhaul work that may be in the shop. All gasoline tanks, oil reservoirs and radiators are filled at night, and a stipulated number of cars greased and washed. Every car is scheduled for washing every four days.

Our company's motor vehicle fleet is one of the best advertising mediums available, therefore it was decided to adopt a new color scheme for all vehicles—the drab and wartime all-battleship gray being replaced by a more pleasing and striking combination of green body with red chassis.

The eastern, central and western divisions have their vehicles scattered over wide areas, with the result that only a few small garages are maintained at some of the larger points in the divisions, such as Quebec City, Ottawa, Hamilton, London and Windsor. These points have an average of from ten to twenty cars at each place, which only necessitates one mechanic, or in some cases a driver mechanic, to look after the mechanical maintenance of the vehicles.

Each of the three country divisions is to have a motor vehicle inspector repairman in the field this year. He will be supplied with a car equipped with sufficient tools and spare parts to enable him to make running repairs on the cars at the time of inspection. In this manner a great many small repairs will be taken care of before they develop into larger ones, thus increasing the number of hours in service of all cars and trucks.

The advent of the motor truck into the telephone business brought with it a number of labor-saving devices. Notably among them the motor-driven winch, which is used for pulling in overhead cable, underground cable, aerial fire and pole work. The pole derrick, another device, is essentially a tripod made of steel pipe for use on two to five ton trucks which are equipped with power winches. These derricks operating in conjunction with the truck winches are suitable for erecting poles, pulling out of the ground and taking down poles, and for moving poles with or without the construction attached.

Last but not least is the earth-boring machine, used for digging pole holes. It is a cleverly designed auger operated by truck motor power.

Bodies specially adapted to each type of work are being made standard. The B type construction body for city and suburban work. The C type for country construction. "Installation bodies" fitted with special compartments for the preservation and accessibility of telephone supplies. The Hoover type body for maintenance and combination work. The accompanying photographs show all of the above types of bodies. The three photographs, showing one of our early construction trucks, one of our first installation trucks and a supervisory car, give a comparison of the strides that have been made in both motor car construction and body design.

We will agree that transportation is a vital factor in assisting us to give telephone service throughout our territory.—The Blue Bell.

# STREET RAILWAYS RUN NEARLY 4,500 BUSES

## Number Used by Tram Companies Throughout America Growing Rapidly

According to "Aera," a magazine published by the American Electric Railway Association, the first analysis of the street railways operating buses was made during January, 1921, when there were twelve companies operating 73 buses over 35 miles of route. By December, 1921, the number of companies jumped to 27 and the buses operated to 131. From 35 miles of bus route operated January, 1921, it jumped to 878 miles operated by 56 companies having 355 buses on January 1st, 1923. Since the first of the year 1923, the growth of the operation of motor buses by Electric Railway Companies in the United States and Canada has been much greater each year. An idea of the growth will be seen in the following table:

**Electric Railways Operating Motor Buses**

| Date | | No. of Companies | Miles of Route | No. of Buses |
|---|---|---|---|---|
| January | 1921 | 12 | 35 | 73 |
| December | 1921 | 27 | ... | 131 |
| July | 1922 | 38 | ... | 174 |
| January | 1923 | 56 | 878 | 355 |
| August | 1923 | 99 | 1043 | 768 |
| January | 1924 | 110 | 1300 | 1100 |
| August | 1924 | 138 | 2355 | 1886 |
| January | 1925 | 171 | 4285 | 2660 |
| September | 1825 | 249 | 11668 | 4437 |

From the above it will be noted that in August, 1924, there were 40 per cent. more companies operating 126 per cent. more miles of route and 146 per cent more buses that there were one year previous. The situation September 1, 1925, stood out even more prominently because 80 per cent. more companies, 396 per cent. more miles of route and 135 more buses were operating than were a year previous.

In addition to the fact that there were 78 companies who had not previously been bus operators there were a number of companies who increased the mileage operated and the number of buses in operation. Of the 7,383 miles of route added during the first nine months of 1925, new companies entering the bus operating field accounted for 1,272 miles (306 city and suburban and 966 interurban miles). The balance—6,111 miles—represents additional mileage changed to bus service by companies who were already using buses on other routes. In keeping with the opinion of both electric railway and bus transportation executives the division of mileage between city and interurban miles is borne out. They both feel that buses will never completely displace electric street railways in the larger centres of population.

Of the 11,668 miles of bus routes reported September 1, 1925, as being served only by buses, 2,128 are city or suburban miles, 7,751 are interurban miles and 1,789 are unclassified miles. In other words, practically four times as many miles are interurban miles as are city or suburban miles. They are all "feeder" miles.

While most companies utilize the bus as a feeder for their rail lines there are 67 lines who operate buses parallel with their rail cars over 1,587 miles of their rail routes. They directly compete with their rail cars with buses.—Good Year Commercial Car News.

# The Value of Tourist Traffic

The value of the tourist business to Canada is not so much in the actual amount of money spent by the tourists while here, but rather in the impressions which the visitors obtain and take home with them, in the opinion of Hon. Geo. S. Henry, Minister of Public Works in Ontario. Mr. Henry points to the uniformity of population which was noticeable, particularly in Ontario—a condition not found in the United States—the settled condition of agriculture, the general all round stability which presented Canada in a very favorable way as a safe place for investment of capital. Tourists passing through this country saw the actual stability of industry, they saw the immense possibilities of the mines and the conservative character of our people, and they were impressed that this was a logical place to invest. "Tourists cannot help but talk, on their return to the United States, of Canada and tell of their experiences, and this certainly is a great advertisement for Canada," he added.

Mr. Henry also points out that the conditions of agriculture in the United States, and the lower land values in Canada, might tend to attract farmers from the United States to Canada. In the United States, where there are high land values and high cost of production, there is a large home market, and that market is protected and the cost of production can be more easily covered on products catering to home markets than on the specialization of staples, prices of which are controlled by world markets and world prices, and over which the actual farmer exercises no control, and his cost of production does not enter into the making of price. Since all cannot cater to home markets, experience of many farmers in the United States has been to turn away from high-cost land and take up cheaper land, and Ontario he thinks will be able to attract a number of farmers.

# TAX ON GASOLINE IS NOW WIDELY ADOPTED

## Easy to Collect and an Effective Means of Improving Highway System

With total automobile travel estimated at almost 350,000,000 miles daily in America the policy of attaching a tax to the consumption of gasoline has grown very popular and has been adopted in nearly all states and provinces. Research has shown that automobiles require considerably less gasoline when operated on improved highways and this serves as the argument for the tax the returns from which are used for the construction and maintenance of public roads.

Further progress has been made in Canada during the year, in the adoption of this tax, and it is now in operation in all the provinces with the exception of New Brunswick and Saskatchewan. During the year Nova Scotia adopted the tax and is finding it quite successful. During the year 1925 the rates in Prince Edward Island and Alberta were 2 cents per gallon, while in the other provinces the rate was 3 cents. This is about the average throughout the States and Provinces, the maximum being 4 cents. The tax yields a fairly substantial revenue. The province of British Columbia realized $476,700 during the fiscal year 1924-25. For the same period Alberta realized $294,166, Manitoba $102,371 and the other provinces a relative amount.

### Tax Easy to Collect

Besides the argument mentioned above, that motorists benefit from better roads in the actual consumption of gasoline, the big argument from the government standpoint is the simplicity and ease of collection. It is collected virtually at the source and no expensive machinery is necessary. Since the revenue from the tax is ear-marked for highway purposes it is probably the surest way of developing a satisfactory system of good roads throughout the country. Then again it is urged that a goodly portion of the tax is paid by the tourist and that the country is saved this amount. Final figures for the fiscal year of 1925 in Ontario show that the gasoline tax yielded $1,974,434 which will go a long way toward the upkeep of the highways in the province.

The gasoline tax has not been adopted without opposition. There have been campaigns in certain sections to prevent the imposition of the tax. Motor leagues have argued that motorists are already paying more than their share towards the building and the maintenance of roads. It is argued that the license fees and other charges on the motorist are frequently more than sufficient for road purposes and that the gasoline tax is probably used for other purposes. Be this as it may the various governments concerned have discovered that the gasoline tax is a very effective method of collecting revenue for the purpose and it has evidently come to stay.

# Railways Face Problem of Motor Competition

Says a recent issue of "The Bache Review," relative to the solution which the railways are finding for increasing competition from motor vehicles of various kinds:

Motor-bus competition with the railroads in some territories continues to deplete the passenger earnings of the roads. In the report to stockholders of the St. Louis-San Francisco Railway, the management recognizes the competition as something that has come to stay and is making its best efforts to develop that phase of the passenger business with which it says the motor-bus cannot compete—namely, the long-haul traffic. This road reports great success with the Golden State Limited—its premier California train. This, it is stated, earned last year a very substantial amount over the direct cost of operation and the management considers the favorable comment of thousands of pleased travelers as proof that its service is a great asset to the company.

Some railroads like the New York, New Haven & Hartford, the Pennsylvania, etc., have taken over motor-bus operations as a part of their own business. The Great Northern Railroad, through a subsidiary known as the Northland Transportation Co., is reported to have acquired by purchase all the major lines in its steam railroad territory north and west of the Minneapolis terminal, except the Mesaba Transportation Co., a large independent, operating principally on the Range. The 1925 session of the Minnesota legislature, according to the Commercial West, Minneapolis, passed an act regulating the operation of buses. One of its provisions required bus companies to prove necessity and convenience for their service. The state is given control over both passenger and freight motor lines, and already 3,500 miles of passenger bus lines have been licensed.

The Northland, the company around which the Great Northern merger has taken place, is to-day the most extensive operator of passenger buses in Minnesota. It operates about 150 buses on all of its routes and is reported to have expended nearly $2,500,000 in perfecting this merger. The law requires bus companies to operate the year round and consequently to keep highways open in the winter.

The railroads may be relied upon in time to solve the problem of motor-bus competition—possibly by adoption of the Great Northern's plan.

Motor lines run by railroads, rather than under scattered control of individuals and private companies, would undoubtedly, in the long run, serve the public better, both as to comfort and prompt operation. The luxury and speed of passenger travel on this country's railroads seem to indicate such a result. Widespread absorption of these routes would create a new, picturesque, and, very possibly, highly profitable phase in transportation conditions. The luxury and comfort of old stage-coach days in England are brought to mind. The American population is constantly seeking greater facilities for enjoying life and the way is opened to them by the increased inflow of income.

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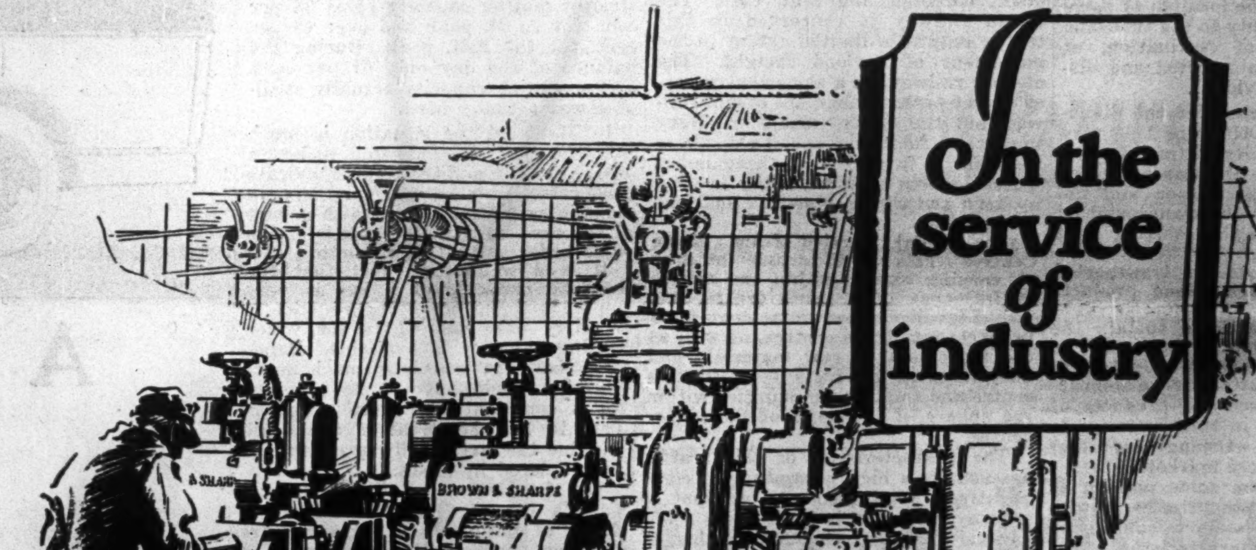
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We have a 250-page catalogue devoted exclusively to automotive equipment. In addition to this our 800-page general catalogue gives some idea of the comprehensiveness of our service, for we supply equipment to practically every class of industry in the Dominion.

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# BETTER HIGHWAYS ARE A BENEFIT TO WHOLE COMMUNITY

## Progress of Localities is Measured by State of Their Roads

In outlining a program of work, special attention should, of course, be given to those sections of road which frequently become almost impassable. These form but a small percentage of road mileage, but they cause a very large percentage of the difficulties encountered by traffic. If the available funds will permit the improvement of the entire section of road then the grading of the high land is quite in order, but often the proper construction of a fill across a small slough is of more value than the turnpiking of a mile of road.

Systematic maintenance is the solution of the earth road situation. Without maintenance good earth roads are not possible, no matter what care has been taken in their construction. One of the best tools for the maintenance of the road surface is the small blade grader. Its advantage over the road drag is that it can remove humps and fill depressions, whereas the road drag simply smooths the surface without eliminating depressions or ridges.

The maintenance problem is a very formidable one, and few, if any of us realize the amount of funds that will be required in the near future to repair the wear and tear on our highways, but it is certainly cheaper and preferable to keep a road in good condition rather than to spend large sums in periodical reconstruction, hence adequate provision should be made for the maintenance of the completed mileage of roads before funds are appropriated for new construction. It is fallacy to think we could get away from systematic maintenance if we could build a more permanent type of road. Earth roads are more easily repaired than any other type and, when properly built and carefully maintained, they give excellent service.

### Benefits of Better Roads

Roads are the arteries of commerce and the general use of motor cars has greatly increased the capacity of our roads and has created a demand for a larger mileage of wider, straighter and better roads. The automobile has become an indispensable instrument in our political, social and industrial life. It is no longer a luxury but a transportation necessity, and a brief reference to the benefits that are being derived from improved transportation facilities would possibly tend to stimulate our interest in the work of improving highways.

A few years ago to live in the country meant to cut off practically all contact with the civilization of the cities. To-day there is practically no difference between the farm and the city home. The topics discussed on the street are at the same time being discussed on the farm. The educational opportunities for the youth of our rural districts have been greatly increased. The consolidated school brings the advantage of the graded city school to the rural communities.

It is unnecessary to stress the advantages of religious education; the source of England's greatness has been attributed to the spiritual life of its people, and to-day there is no reason why the rural settler should not attend the place of worship to do homage to his Creator.

Intercourse with our fellow-beings broadens our outlook on life, and enables us to see the good in the heart of all. Roads have developed social life in its various forms. The people from the country attend theatres in the city, they visit each other and render to each other material assistance or sympathy as the case demands.

Roads and vehicles are parts of the same transportation equipment and from a purely economic standpoint the 78,000 cars in the Province of Saskatchewan are not luxuries. They are timesavers and increase the effectiveness of the doctors, the police, the fire departments, the farmers — the entire life of our province has been intensified by a reduction of the time required for transportation. Good roads, as compared with unimproved roads, reduce the ton-mile haulage costs by about 10 per cent. and from actual observation it has been calculated that the cost of operating a car on a poor road is 2½ cents per mile greater than the cost of operation on a good road. If we assume that the average car travels 4,000 miles a season, and that one-fifth of our main roads are in good condition, the annual savings to resident car owners as a result of the road improvement work already performed would amount to one and one-half million dollars.

This is the age of transportation. In recent years we have seen a tremendous advance in the transportation of thought, of power, and of commerce, and during the past decade the advances in highway transportation have been particularly marked. The trunk highways constructed in the United States during 1925 would encircle the globe and cost one billion dollars. The Department of Highways in this province is constructing approximately 450 miles per year of trunk roads in addition to the improvement work performed on secondary roads. You will be pleased to hear that although there will be no more subsidies for road work paid under The Canada Highways Act, yet the amount to be spent in 1926 on better roads will equal and probably exceed the amount spent in 1925. The rural municipalities are spending approximately three million dollars a year on highway work, or twice as much as the department, and the work now being performed by municipal authorities is of a much higher quality than formerly. Men, whose business requires them to travel all over this province, have frequently stated that they were amazed at the improvement in our highways during the past three or four years.

"Very satisfactory progress has been made," said Mr. MacKenzie in conclusion, "in the improvement of our highways, but the problem of highway transportation is rapidly increasing in magnitude and it therefore demands more careful attention. It is a work worthy of our best efforts, for there is no problem more vital to the general welfare of our province. Let us put greater enthusiasm into the problem, remembering that, although the scope of our individual activities may be limited by the boundaries of a municipality or a province, the influence of the roads we construct is unbounded. They mean material prosperity, they spread knowledge, they promote good fellowship, they assist in every way to raise the standard of our civilization."

# LOSSES PREDICTED ON TIME PAYMENT SALES

## But Instalment Selling of Automobiles on Sound Basis for Most Part

With the instalment sales of automobiles piling up by the thousands in the United States and Canada, motorists are wondering what is going to become of the traffic problem in a short while. Others are wondering, too, what would become of this credit system if a sudden break in business confidence took place. A survey recently completed by C. C. Hanch of the National Association of finance companies in the United States and reprinted in the American Bankers' Association Journal, shows that automobiles valued at more than $3,000,000,000 were sold on the instalment plan during 1925, and that the plan was to collect one-third cash leaving $2,000,000,000 out on deferred payment.

While it seems to be the finding of the survey that automobile paper has been sound, for the most part, and that the calamity howlers have not yet been justified by the facts, it is pointed out that in the last twelve months the severe competition of business and the craze to accumulate huge volumes of sales has resulted in a tendency to depart from the recognized terms of sale. There is an inference between the lines that during the next year the percentage of loss will probably be considerably greater than during the past twelve months when the standard terms of more than a year ago were maturing. Fortunately the tendency to deviate from the recognized credit terms has apparently passed its maximum and there seems to be a tendency to keep terms within the limits of safety. If this is not upset by competition between manufacturers throughout the country the process will go on undisturbed. February and March were record months in automobile production both in United States and Canada. However, manufacturers are keeping a closer watch on consumer demand and are making an effort to guide their output accordingly. The demand of the consumer has been greater this season possibly than ever before and the automobile industry is still in a quite sound position both to take advantage of the big buying demand during the balance of the year and to hold inventories now within reasonable limits.

# MORE THAN 2,500 MOTOR BUSES IN USE IN CANADA

(Continued from page 21)

most of them operate only during 9 months of the year. A large number of bus lines operate out of Montreal and the Montreal Tramways have four buses in co-ordination with the regular transportation service.

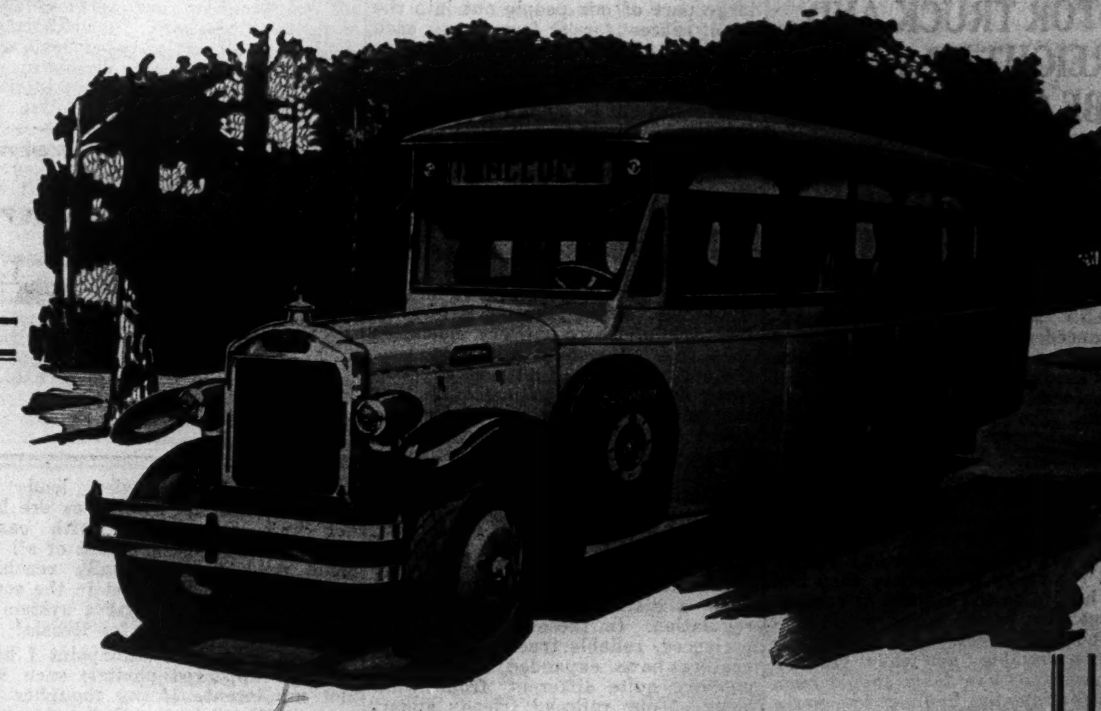
### Ontario Leads in Bus Operation

Throughout Ontario traction companies are making use of motor buses in the principal cities as feeders to their electric services, while the number of sight seeing buses is increasing annually. The advance in this form of transportation is most apparent in the vicinity of Toronto and Hamilton. A conservative estimate of the number of buses operating at present is 535. Southern Ontario is well adapted to the use of buses for urban and inter-urban travel and for the use of tourists.

The inauguration of new bus lines in the Province of Manitoba has advanced very rapidly of late. A total registration of 609 buses up to September last consisted mainly of 555 vehicles for the transportation of school children. Manitoba leads the other provinces in the use of buses for this purpose. Bus service in general is probably as popular in Manitoba as in any other part of Canada. In Saskatchewan a few buses are employed for ordinary passenger service, and a number of light buses are used for the conveyance of pupils. It is rather difficult to obtain the actual number in use at the present time. Most of the buses used in Alberta are for sight-seeing trips in the Canadian Rockies between Banff and Lake Louise and points of interest accessible to them.

The use of motor buses on the Pacific Coast has made rapid strides during the last three or four years. Buses of the latest design are operated extensively in the larger cities and in the suburban districts. It is conservatively estimated that there were 165 buses of various sizes in operation in British Columbia last October. Excellent services are maintained between Vancouver and the cities in the State of Washington. The number of buses may be increased materially in 1926.

De Luxe Parlor
Type Body
Mounted on 41-6
Cylinder Chassis



Buses
Trucks
Taxis
Fire-
Apparatus.

Gotfredson

ABOVE is shown a Gotfredson 25-Passenger Parlor Car Model 6-41. Bus patrons and operators demand safety and comfort — Gotfredson has reduced over-all height without sacrificing the comfort of passengers moving in and out or standing in the aisle. Safety is assured by three independent and seperate types of brakes. Surplus power and freedom from annoying vibration invite the critical automobile owner to ride.

Maintenance of schedules is of supreme importance. By using Gotfredson Buses you enjoy the co-operation of the manufacturer and his road engineers and inspectors supervising the correct inspection of the unit to the satisfaction of bus patron and owner. There are service facilities at all main points maintained by the Company, giving perpetual twenty-four-hour service.

Gotfredson Corporation Limited
WALKERVILLE, CANADA

Quebec Montreal Ottawa Hamilton
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From Coast to Coast

A Line From You Will Bring Expert Advice And Statistics Regarding Bus Transportation. Why Not Avail Yourself of This Service. It Is Free.

A Few Owners of Gotfredson Bus Fleets.

White Star Transit
Hamilton Bus Lines
Ont. Hydro-Electric Railways
Maple Leaf Bus Lines
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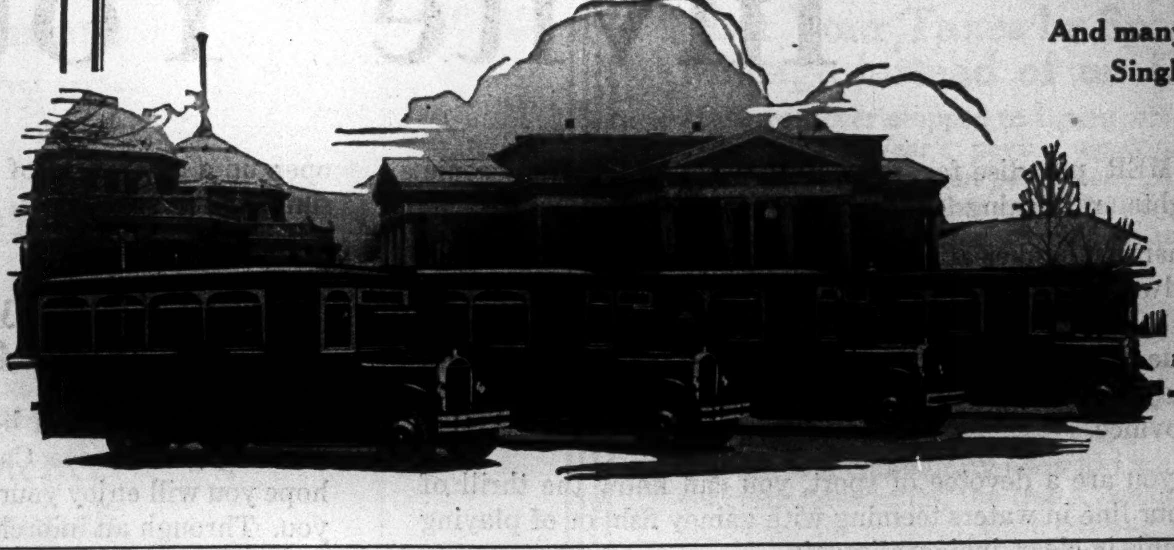
McLellan Transportation Co. Limited
Blue Bus Service
Red Bus Service
And many other Fleet and Single Bus Owners



Part of fleet of twenty street car type buses 41-4 cylinder purchased by Hydro Commission of Ontario.

# PUBLIC HIGHWAYS FORERUNNERS OF BRANCH RAILWAYS

(Continued from page 21)

valuable minerals, particularly in the country between Lake Superior and Hudson's Bay and in the Laurentian Hills surrounding the latter, as well as in portions of Nova Scotia, New Brunswick and British Columbia. In practically all provinces, vast undeveloped areas of arable lands and of lands with natural riches of various kinds await the action of provincial governments represented by colonization and development roads. In order that the enormous investments of various governments in Canada in railways, canals, harbors and port facilities may contribute fairly to the national prosperity, and may make adequate returns upon national interests therein, towards building up the national credit, these undeveloped areas must be made accessible. In this connection, the statement of the director of colonization and development department of another great Canadian railway system is valuable. He states: "In the colonization areas in Northern Ontario, North-western Ontario and Quebec, in the wooded country, there must be roads, if the country is to be opened up; and, while provincial governments are certainly doing good work, one of the greatest drawbacks we have, in the past, in our colonization work has been the lack of such roads." So much for the making of roads in new territory, to permit of greater settlement and increase production. These roads, in the nature of things, are not built to sustain motor trucks. Much of the territory in question is wooded, and hence increase of production therein is seldom contingent upon roads capable of carrying vehicles of heavy tonnage.

In the prairie provinces, however, and in eastern Canada, topographical and agricultural conditions are such that the potentialities of commercial motor vehicles of capacities beyond the sustaining power of the ordinary improved roads therein are being seriously considered by agriculturists. An example of the economic efficiency of the motor truck as compared with his waggon and four horse team is furnished by the Saskatchewan farmer who in 1923 cut his costs of hauling wheat to a marketing point 25 miles away, to one-third compared with costs using waggon and team, previously. To operate a truck of say five tons capacity at a rate of 25 miles an hour, loaded, calls for highway surfaces fairly uniform and hard. Thus it is that the tendency is now pronounced in all provinces where the graded road formerly served all requirements, to bring gravel from long distances, in some cases, to make a road that will ensure serviceability throughout the season, for agricultural, quite as much as tourist motor traffic.

No one questions the influence of the automobile in developing Canadian highways in recent years, especially upon primary routes. Many of these routes have been built parallel to railway lines, to accommodate domestic and outside motor traffic. They bring comparatively little traffic to the railways. Hence the real problem in securing greater production, and the marketing of it all, in such cases, is the improvement of secondary and local roads to such standards as will permit of the full use of the farm motor lorry. In this connection, the making of better market roads to permit of the use of trucks of greater capacity is the problem of the future.

### For Grain Hauling

In western Canada, the feasibility of the establishment of rural motor truck service lines as forerunners of branch lines of railway, especially in districts now remote from main trunk railways, is being actively canvassed. It cannot be doubted that the motor tractor with from two to ten trailers, or semi-trailers upon a modern highway, offers to the large grain grower or to a co-operative association of grain growers, a workable substitute for a branch railway line. Whether branch railway lines would eventuate from such motor truck freight service lines or not, there is now wide recognition of the joint interest of agriculturists in such districts, the railways themselves, and the consuming public, in the construction, by capable engineers, of such roads as will make such truck highway transportation service possible. For the cost of marketing by such means is necessarily less than where waggon and team haulage is required, as there is less overhead, less operative and maintenance costs, and the not unimportant consideration to agriculturists of to-day, of saving in time. It is therefore not unlikely that in the near future, western Canada will inaugurate a number of publicly owned motor truck service lines.

# MOTOR TRUCK AND FREIGHT TRAIN TO BE CO-ORDINATED

## Each Has Specific Place in Transportation of Commodities

By F. C. HORNER.
General Motors Corporation.

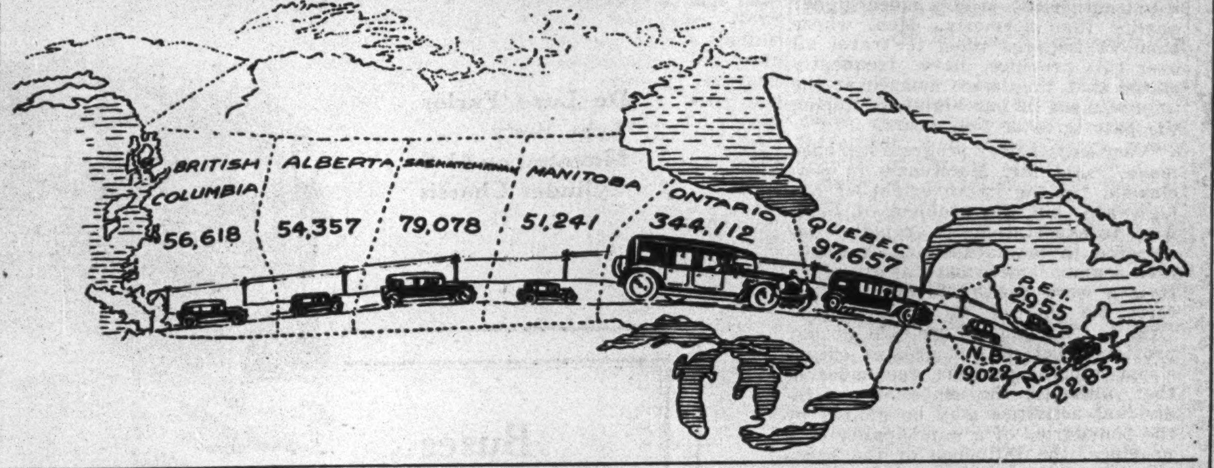
MANY arguments might be advanced as to why a part of road construction and even maintenance costs should be borne by adjacent land owners and by the community in general. Who can say what it is worth to the producer on the farms to be able to market his products at such times as suits his convenience? I well remember as a boy, the deplorable effect bad roads had upon the prices obtained by the farmers in the section of Virginia where I lived. When the crops were ready they had to be hauled to the market as soon as the condition of the roads would permit—no man knew how long they would be passable—and while perhaps other work on the farm should have had attention, the hauling was paramount. Many instances could be cited of the temporary glutting of the market with consequent low prices, many stories told of the commodities which rotted before mother nature had put the highways in shape for hauling. With the coming of hard roads we should, and do, have a more even movement of the farmer's products to market; prices are more stabilized; products are conserved. These steps forward are a benefit to all of us.

Naturally land values near the hard roads have been greatly increased; this perhaps means little until a sale is made but then the owner can ask himself how much of the so-called unearned increment should be credited against the cost of good roads. A number of the younger generation are being held on the farm due to the fact that now life there is more attractive; the ability to quickly and easily reach the neighbors, the community club and the neighboring village or city to see the movies, games and other out door amusements, etc., is by no means the smallest factor in bringing about this change. If, because of this augmented force on our farms we are able to produce more and at the same time enable those who do it to be healthier and happier—of what benefit to all of us is this and to what extent should it make us willing to contribute to the good roads fund? In a time of national emergency a hard road system might well be of incalculable value. What then would be the relative gain or loss to any country on this score? We spend rather large sums in Welfare Work. What could be more beneficial than getting a large part of our people out into the open spaces for a few hours each evening? For a couple of weeks at vacation time. Or through motor transport to enable them to live where the air is pure and rents are cheaper? Who is to say what making these things possible is worth to a nation? As our people travel from one part of the country to another they become acquainted — come to know the problems of different sections, come to understand their mode of life and manner of thinking. But we have wandered from our subject somewhat. Motor taxation is increasing rapidly. There is every indication that the automobile will soon bear the entire burden of all road expenditures but there is no indication that this will diminish its use. I have no doubt but that our politicians will handle the taxation question so as to obtain from the motor vehicle the greatest possible amount of revenue; they will not kill the goose that lays the golden egg.

### Commercial Use Must be Regulated

Some of our states have progressed quite a distance along the road to regulation. In these states the experienced, reliable truck and bus operators have expanded rapidly, an outcome quite different from what some of our railroad friends apparently had hoped. Existing regulations have not diminished the volume of passengers or freight moving by highway; on the contrary the volume is increasing daily. The State Commissions have been able to do much by generally placing the certificates of convenience and necessity in the hands of those most competent to furnish a reliable convenient service. The restriction of free lance hauling, the prohibition of rate cutting has enabled the cartage men to secure full loads, to reduce their unit costs, and to maintain a simple rate structure which has done much to inspire the confidence of the shipper. The filing of liability bonds and insurance has placed the business of motor transport upon a higher and more stable plane which again has attracted the shipper. Dependable, every day service has enabled the merchant to open up some new territory, to decrease his inventory, to make delivery commitments with assurance that they would be carried out. As the Highway transportation service grows it will become more and more unnecessary to ship by rail. The highway transport man has a tool which, in its field, meets the entire transportation requirements; it is available at any hour and able to give special and unusual service at a reasonable rate.

I do not believe that you will find the solution for rail and motor competition through improvements in steam power or equipment, for, being younger, the internal combustion engine would seem certain to advance more rapidly, at least for a long time to come. Motor vehicles capable of higher speeds, heavier loads at cheaper costs are coming as are better and wider roads with easier grades and most important of all the good roads are gradually reaching every village and hamlet in the country. Just imagine what a system of good roads would do for Russia!



From a railroad standpoint I have perhaps appeared partial; such was not my intent. If my thoughts are correct that fair taxation and proper regulation will not diminish nor even retard the development of highway transportation, from the standpoint of the railroads what is to be done? There is a solution, I believe—a simple one—"co-ordinate." Find the proper field for the motor vehicle and tie it in with rail transportation wherever this can be done to the advantage of all concerned.

To accomplish this will require study and experiment in each individual case. As conditions change, operating plans, and classes of service rendered must frequently be revised, at least to some extent.

I believe that, having ascertained their respective fields, each form of transportation should occupy its field and cease futile and wasteful attempts to hamper the other. Again I would point out that in spite of the tremendous strides already made in the application of the motor vehicle to transportation requirements that this science is still in its infancy.

If railroad men insist upon operating only on rails they should realize the futility of combating highway transportation in its proper economic field with such tools, they should retire as gracefully as may be and thereby save themselves a great deal of money and grief. If they wish to maintain their grasp upon all transportation—and assuredly they are entitled to do this if they realize the obligation it involves—they must establish and furnish to the public "complete" transportation. In my opinion, not only does this seem the correct way but it also seems the logical and the easiest way—those things coincide so rarely that the opportunity should not be missed — it is so much easier to sell the public that which they want than to convince them that you have something equally good. "Just as Good" is an argument that never secured much traffic.

### Legitimate Railroad Business

The use of motor vehicles by the railroads need disturb no legitimate truckman serving any real economic need. For a long time to come, at any rate, much of the railroads' motor vehicle service will be performed under contracts which will offer existing motor vehicle operators a fair profit for their labors. The change to direct ownership and operation by the railroads, if and when it comes, will be slow and give ample opportunity for existing operators to become adjusted to the new situation. For example, some thirty of our class one steam railroads are new making use of the motor vehicle in handling freight or passengers or both and no truckman has yet had cause for complaint, at least none have been brought to my notice.

Here I would like to correct one impression — namely that the railroad use of the motor vehicle will be confined largely to the areas of denser population. It is true that the motor vehicle was first used in the large terminal districts and that, very naturally, it will attain its greatest growth there since it is in those districts that the most benefits are to be gained from applying the new "tool" to transportation requirements. But substantially every territory presents an opportunity for some form of motor service.

The Union Pacific are finding buses helpful in southern Utah; the Santa Fe will this season inaugurate a service along the Apache Trail in New Mexico; the Great Northern operates some 140 buses in northern Minnesota, representing the largest motor vehicle operation of any steam carrier. Our major railroad systems are operating or have publicly announced their intention of operating the motor vehicle in all parts of the country from Maine to California, from Minnesota to Louisiana. According to E. J. Pearson, president of the company, the New York, New Haven and Hartford Railroad has within the past few months established seven hundred and seventy-seven miles of motor bus service; representing more than a third of its nineteen hundred and fifty-eight miles of steam lines. The assistant freight traffic manager of the New York Central railroad is authority for the statement that the railroad alone is making use of over six hundred motor trucks; the Pennsylvania Railroad now handles its less carload freight to over five hundred of its stations by trucks; the Delaware, Lackawanna and Western, Lehigh Valley and Erie Railroads through arrangements with trucking companies offer a direct delivery service to and from the store door in New York City; the Boston and Maine offer a similar service in Boston and in addition a trucking service between stations at rates having no relation to the rail rates. Two hundred and fifty-one of our electric lines were operating five thousand one hundred and thirty-two buses on January 1st, 1926, and the number will be largely increased this year.

### English System Efficient

In 1921 and 1922 I had the good fortune to spend eighteen months in England and on the continent studying Old World transportation methods. It was the best investment I ever made. To thoroughly study a subject one cannot afford to confine investigations to the homeland. Through the courteous help and friendly co-operation of English transportation men and others in England — the great country from which I am proud to say my mother came—I learned much of value to me in my daily work. I was profoundly impressed with the English Railway Collection and Delivery methods and other practices they have established in the handling of miscellaneous goods or as we term it, L.C.L. freight.

The great lesson I learned in England was that we should strive to synchronize the movement of our road vehicles with the movement of our freight trains. Complete transportation is what the English railways render the traders, and judging by the fact that ninety per cent. of the traffic carted by the railroads arriving on a given day is delivered to the store door by noon, I consider that the system works to the advantage of all concerned.

Store door delivery as we term this kind of transportation service is now being given careful thought by both railroad men and merchants of the United States. What our railroad men seem fearful of is that if they should really establish a store door delivery service it would only be a short time before they would be required to absorb the cartage cost in the rate; this, of course, would be unfair and against the best interests of the railroads unless they were compensated for the increased cost of transportation. The railroads are entitled to a fair return on their investment and performing any service at a figure less than will assure such a return is uneconomical and a step backward, not forward. Nevertheless, in my opinion, store door delivery is a subject worthy of the most careful consideration by all transportation men if they would know the true answer as to its merits and demerits.

There are many phases of my subject we have not even mentioned, all of them relatively important, some absolutely essential in finding solutions for these problems.

The container method of handling freight, for example, holds out very real advantages when scientifically tied in with rail and road transportation. Again it is purely a problem of applying the "tool" to the requirements—advantageously. The New York Central Railroad have about two thousand containers in brick transportation service, they also operate containers in merchandise service, both services show decided advantages to railroad and shipper.

Finally, I would urge all of you not to be hasty in forming conclusions on the questions we have been dealing with; carefully analyze each, sift the wheat from the chaff, and know and understand the problem and the circumstances surrounding it. There is merit in most ideas that are the result of deliberate consideration by those who understand the subject in hand. To progress we must study and think these problems out to the end and scientifically apply the things we have made with our hands to their solution — without prejudice. Prejudice, inertia and exaggerated sentiment retard progress. The past is of value to us only in proportion to our ability to profit by experience. We can have vision without being visionary and remember that without theory there would be no practice to guide us.

Ontario's Playgrounds Invite You

A SUMMER paradise for those in search of health, scenic delights, refreshing change — *ONTARIO.*

Whether you hanker after a motor trip through a land of tree-lined roadways, rich fruit-growing areas and impressive panoramas, or yearn for rugged, unspoiled nature where sparkling lakes mirror blue skies and waving tree tops, you can have the kind of holiday you'll never forget in the spacious natural playgrounds of this Province.

Or if you are a devotee of sport, you can know the thrill of casting your line in waters teeming with gamey fish, or of playing golf or tennis in clear, invigorating air.

Ontario has many thousands of miles of roads — splendid highways through interesting cities and towns, leading to wondrous fairylands where the mute grandeur and riotous colours of nature cast a spell o'er a land that grows upon you with each new day.

*If You Live in Ontario*

Not all Ontario people know the charms of their own Province. Amazing changes have been wrought in Ontario's highways which open up a new world of refreshing experience. A motor trip this summer would bring you an abundant return of healthy enjoyment.

*A Hearty Welcome to those from Other Provinces*

Ontario extends a hearty invitation to visitors. We are particularly glad to see Canadians from other Provinces. And we hope you will enjoy your visits with us as much as we do ours with you. Through an interchange of visits we shall better understand each other, and thus foster our mutual national interests.

*Write for Information on Ontario's Roads*

Information on road conditions in Ontario is promptly and cheerfully supplied by the Department of Public Highways on request at any time. The Official Road Map shows all improved roads in the Province. Sent postpaid, 50 cents. Address Department of Public Highways, 110 University Avenue, Toronto.

DEPARTMENT *of* PUBLIC HIGHWAYS, ONTARIO
TORONTO

The HON. GEORGE S. HENRY, *Minister*
S. L. SQUIRE, *Deputy Minister*

# MOTOR CAR TAKES LEADING PART IN GROWTH OF TRADE

## Lowers Overhead Costs by Making Deliveries More Frequent

Something of the romantic is inseparably connected with the story of the rapid rise and development of the motor car industry in Canada, and the many side issues dependent thereon. Apart from revolutionizing traffic and travel, highways transportation has been a most important factor in the development of the country—in the settlement of the North—in connecting the various cities with each other as well as with their larger neighbor cities to the South. All this has a significant bearing upon every phase of life.

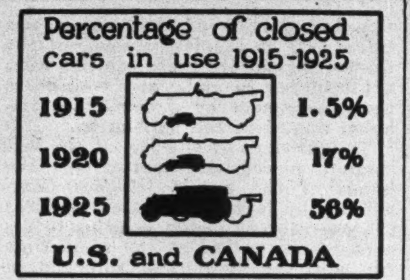
In the manufacturing of motor cars a gradual reduction in the number of producers has taken place. Two decades ago there was a large number of small manufacturers in the field, both here and in the United States. Competition has gradually driven many of these out of business as well as leading to several absorptions and mergers. The result is that last year there were but eleven plants in Canada producing cars and trucks. These eleven plants produced 124,458 passenger cars, 22,144 trucks, a total of 161,970. Including certain parts and custom work, the output of the industry was valued at $110,835,380, factory prices.

Elsewhere is discussed the rapid growth of bus transportation in Canad.. This is one of the outstanding phases of motor transit. It has created a new era in travel in all parts of Canada, and has made possible a much wider expansion in the tourist industry. An attempt has been made by various organizations to catalogue the number of bus companies, lines and actual buses in Canada, but this is made almost impossible by the fact that new lines are commencing almost every week and new buses are being added almost daily. This is creating a gradual adjustment of the residence problem, particularly in relation to suburban life, and it is also creating a greater parking problem in the cities.

**Truck Revolutionizes Merchandising**

One of the side issues of truck transportation is the increase in short hauls delegated to the motor trucks and the resultant greater frequency of delivery. In many lines of industry, deliveries of goods are more frequent than would be the case were the shipper dependent upon the steam railways entirely. In the case of goods to be used in further manufacture by plants and factories, it has been found that more frequent and smaller orders give better results. In this way less capital is tied up in equipment at any given time—there is less depreciation, less danger from fire and theft, and consequently lower overhead charges. The same is true of the merchandising business in general. The retailer does not wish to buy more than he needs at any time, especially if his wares are perishable. This lowers his stocks, makes his orders more frequent and reduces his selling costs. It also, incidentally, enables the consumer to get fresher products, since the span of time between the manufacturer and the ultimate consumer has been lessened.

Another development of recent date is the provision to the public of drive-yourself cars. These cars are provided in many cities, and at least one company has made provision whereby the customer is allowed to leave the car in the city of destination, wherever that may be. He is not obliged to bring it back to where he started from. While this provides a new convenience to the public, it also further complicates the traffic problem.



# Versatility is Bright Background to Success of Eversharp's Head

(Continued on page 10)

Budget control which now finds universal recognition as the dominant development of present-day business, had caught the fancy of only a few of the more far-seeing executives.

Mr. Wright revived the moribund Canadian Society of Cost Accountants and became its president. He wrote extensively on the subject and lectured in many cities in the United States and Canada. He helped to establish cost accounting in its proper place and did much to demonstrate that cost accounting does not mean an unwieldy new department, capable of being financed only by the largest companies. At his own plant, for instance, the cost accounting branch, which does the work for all of the score or more departments, consists of one man and absolutely current costs are maintained.

**Speaks With Authority**

To-day, this playwright-poet-lecturer is one of the outstanding authorities on cost accounting. It is three or four years since he wrote in an article in The Financial Post.

"There can be little doubt that one solution of the present economic conditions facing Canadian industry lies in a much more intensive use of scientific cost finding.

"It has been only of recent years, to be exact, that the necessity of accurate cost ascertainment has received recognition in Canadian commerce. Post-war conditions, with the increase of external competition, coupled with higher and growing cost of production and distribution, have forced the manufacturer to study the primal necessity of reducing operating costs, and have made it, indeed, almost compulsory, in self-defence, for him to set up some system which will disclose unusual losses more or less automatically, and which will with periodical promptitude locate the leaks through which potential profits slip away. This saving system is found in the establishment and correct alignment with other parts of the business organization, of a scientifically devised cost finding department.

"Budgetary control is, fortunately, coming more and more into general use and in whatever industry it has been adopted, under proper conditions, it has more than proved its value by the help it has afforded in controlling variations from pre-determined standards, and in guiding the course of the enterprise through the channels of industrial difficulties and troubles and the shoals of varying economic conditions, to the smooth waters of successful attainment.

"Simplification of cost methods, as applied to executive control, has brought the science of cost finding (and the term is used here in its broadest sense) to a state of efficiency and easy adaptability that makes its adoption essential to all modern business organizations great and small, and provides the means to the correct solution of many manufacturing and production problems."

At the present time he speaks with even more authority upon the subject and has addressed accountancy organizations and gatherings of bankers in many Canadian and American cities on the subjects.

**Merging Art and Industry**

Cost accounting is a matter of organization and it is in this executive element of organization that the success of Mr. Wright's business in Canada has had its roots. Cost contro, isl too, a road to lower costs and reductions in costs of production has been a factor in increased sales under Mr. Wright's direction. The Wahl factory is a busy workshop; it turns out pencils by the thousands but the element of mass production merges gracefully with the finer touch of good craftsmanship. Aluminum pencils, Duco-finished in bright colors, are turned out at very small cost.

And beautifully chased pencils and pens, fashioned from the finest precious metals, and engraved by artist-workers are produced for the discriminating. There is no clash in the plant between the low cost article, produced at a price to serve one definite purpose, and the more artistic article, produced regardless of price, to serve other equally definite purposes. There need be no compromise with quality in the case of the first; no wasteful expense in the second.

**No Clash of Interests**

That, it seems to me, typifies Mr. Wright's own personal career. There is no anomaly in the many-squared pattern of his life. The efficient executive does not clash with the man of cultural sympathies in Mr. Wright. To-day his business is his one keen directing influence in his life. "There are enough problems in any business to-day to keep the man at the head of it busy eighteen hours a day," he said to me some time ago. "But it is worth while for a man to have a background of different interests. It even is worth while from the standpoint of business. It helps a man to meet people and to learn how to meet them.

"It gives him, too, something to look forward to beyond the consummation of a successful business career. It gives him something to turn his hand to when he retires; when he wants to live a fuller, freer life."

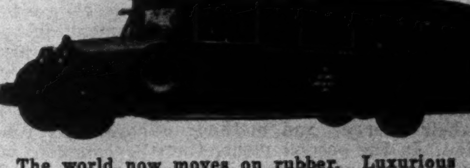
There is little doubt in what direction Mr. Wright will turn his attention when he begins to let up in business. It will be towards the writing of poetry. To-day he writes exquisite verse, which is published in Canadian magazines, as well as in leading British periodicals, such as the Bookman. If, as and when he joins the clan of Omar Khayyam, his book of verse and jug of wine beneath the bough will be a pad of paper and his pipe, beneath the shade trees in his charming garden at Newcastle-on-the-Lake.

### QUEBEC CONTROLS BUSES

The province of Quebec has extended the powers of the Public Service Commission of Quebec so as to bring under its jurisdiction motor buses operating as common carriers.

Owners must supply the commission with the routes to be followed, the hours of departure and arrival at various points along the routes described, or some kind of time-table.

The conditions under which passengers will be handled and the tariffs charged will also be submitted for approval, as well as the comfort and accommodations offered to passengers.



MAKING EVERY BUSINESS TRIP A PLEASURE

Lake Shore Motor Bus Line

Ten trips daily connecting with Hamilton Bus Lines for Grimsby, Beamsville, St. Catharines and Niagara Falls.

Time Schedule (Standard Time)

| WEST BOUND<br>Toronto to Hamilton Buses Leave Toronto Union Bus Terminal, Bay & Albert Sts. at Shea's Hippodrome Theatre. | | | EAST BOUND<br>Hamilton to Toronto Buses Leave Hamilton, Main & John Sts. | | |
|---|---|---|---|---|---|
| Leave Toronto | Arrive Oakville | Arrive Hamilton | Leave Hamilton | Arrive Oakville | Arrive Toronto |
| 8.00 | 9.15 | 10.15 | | 7.30 | 8.45 |
| 9.00 | 10.15 | 11.15 | 8.00 | 9.00 | 10.15 |
| 10.30 | 11.45 | 12.45 | 9.00 | 10.00 | 11.15 |
| 11.30 | 12.45 | 1.45 | 10.30 | 11.30 | 12.45 |
| 1.00 | 2.15 | 3.15 | 11.30 | 12.30 | 1.45 |
| 2.00 | 3.15 | 4.15 | 1.00 | 2.00 | 3.15 |
| 3.30 | 4.45 | 5.45 | 2.30 | 3.30 | 4.45 |
| 5.00 | 6.15 | 7.15 | 3.30 | 4.30 | 5.45 |
| 6.00 | 7.15 | 8.15 | 5.00 | 6.00 | 7.15 |
| 7.30 | 8.45 | 9.45 | 6.00 | 7.00 | 8.15 |
| 8.30 | 9.45 | 10.45 | 7.30 | 8.30 | 9.45 |
| 10.00 | 11.15 | 12.15 | 8.30 | 9.30 | 10.45 |
| 11.00 | 12.15 | | 10.00 | 11.00 | 12.15 |

Chartered Trips at Reduced Rates

The world now moves on rubber. Luxurious Parlor Car Service. Tedious waits eliminated. Pure delicious ozone direct from the lake. A charming ever-changing scenic panorama to delight the eye—what a welcome change from old-time transportation methods!

The Lake Shore Bus Line were the first to supply the demand for this improved service. Continuously in operation during the past seven years. Every initial trip means another delighted patron.

Clip this ad. for time schedule, or let us mail you one.

TORONTO
Union Bus Terminal at Shea's Hippodrome
(Bay and Albert Sts.)
Phone Ad. 1686.
Current Attraction: Harry Langdon in
"TRAMP, TRAMP, TRAMP."

OAKVILLE
Hillmer Bros.,
Phone 9

HAMILTON
Main and John Sts.
Phone Regent 848

Mass Production Cuts Truck Costs

Sales of Graham Brothers Trucks have reached such enormous figures that buyers profit by unequaled low initial costs.

Note the price of the G-BOY, the new one-ton truck.

Only mass production, unapproached building and buying power, plus years of experience, could produce a truck so staunch and sturdy at so low a figure.

Chassis . . $1105 f.o.b. Toronto
(Taxes to be added)

GRAHAM BROTHERS (CANADA) LIMITED
Toronto Ontario
TRUCK DIVISION OF DODGE BROTHERS (CANADA) LIMITED

GRAHAM BROTHERS TRUCKS
SOLD BY DODGE BROTHERS DEALERS EVERYWHERE

"It's the little they cost to maintain that makes Concrete Pavements Economical"

CANADA CEMENT
CONCRETE
FOR PERMANENCE

Provincial Highway near Port Hope, Ontario.

Let Your Taxes be Spent on Mileage instead of on Upkeep

Have you ever stopped to figure what proportion of each year's paving appropriation is spent to maintain non-permanent pavements? And do you realize that every dollar thus spent for upkeep means that much less mileage of new paving each year?

Concrete pavements are permanent. They need no costly upkeep. They staunchly withstand the heaviest traffic and provide a smooth, safe, comfortable driving surface for every type of vehicle.

The more a community adds to its mileage of concrete pavements, the less it needs to spend each year for upkeep. Each ensuing year's appropriation becomes increasingly an appropriation for NEW ROADS which, built with concrete, save money for the taxpayer and reduce the cost of motoring.

Canada Cement Company Limited
Canada Cement Company Building
Phillips Square Montreal
Sales Offices at:
Montreal Toronto Winnipeg Calgary

Highways of Concrete

# Motor Truck Operation Not Subject to Regulation

(Continued from page 21)

monopolistic conditions that there is a tendency for the grade of service to decline. A great deal of the motor truck business is based upon service, not upon rates, and, therefore, regulation is wholly unnecessary to secure either of these results.

In order to appreciate the difficulty which would be encountered in attempting to regulate motor truck transportation as to either service or rates we shall have to consider three different conditions under which the trucks operate. In the first place, the bulk of the truck movement consists of the transportation of goods in trucks which belong to those who own the goods. The purely commercial trucker carries but a very small percentage (probably not more than ten to twelve per cent.) of the total freight movement on the country highways, and all the indications point to a continuance of this condition. These trucks are not carriers, but are rather plant facilities of the businesses which own them, in the same way as are the elevators of a milling company. They are part of the companies' productive capital and, therefore, not subject to regulation as to their charges and methods of operation. In the second place, there are the private carriers, that is, those which operate for hire on a contract basis. These carry on their business according to definite contracts with the firms which they serve. In many cases each service is the subject of a specific agreement between the carrier and the shipper; and because the carrier charges one shipper a certain rate is no reason why he should charge all shippers the same rate. Besides, the kind of service rendered by such a carrier is subject to endless variations and there is no possible way in which rates could be standardized and fixed when the nature and the amount of the service varies over such a wide range. In this case the private carrier is operating for private profit and under a series of private contracts, and regulation of either rates or service would be impossible. There remain, in the third place, the common carriers, that is, those who hold themselves ready to carry for the public generally and without discrimination. These constitute an almost negligible proportion of the highway truck operators. It might seem that this class should be subject to regulation in order to avoid discrimination being shown to certain interests; but there would be great difficulty in regulating the common carriers and leaving the private carriers unregulated as to rates and service. Any law which would hold the common carrier to a definite schedule of rates would make it possible for the private carrier, by cutting these rates slightly, to take away most, if not all, of the business from the common carrier, and, therefore, the law which was intended for the protection of the common carrier would prove to be the means of his undoing—in other words, it would legislate them off the highways. And, after all, there is little difference between the private and the common carrier, for both are engaged in the business in order to obtain private profits. Why, then, should one hold himself out as a common carrier and submit to regulation, when the effect of this regulation might be to drive him out of business?

**Private and Common Carriers Similar**

Moreover, it is only a step from one kind of carrier to another. For example, a company may have its own trucks as a plant facility, which are loaded chiefly in one direction. In order to get some revenue on back loading, rather than run empty, the company may make a contract with a friendly company to carry some of the latter's goods. The company then becomes, in all essentials, but not legally, a private carrier. If it goes a step further and in order to get such back loading offers to take from anyone any traffic, which is to be shipped over that route, it becomes in reality a common carrier. But even in this case it probably could not be brought under regulation, since it is not legally a common carrier. This is but an illustration of the way in which a motor truck may fulfil the functions of radically different legal entities. When we see how these various services gradually shade off before they reach the status of a legally constituted common carrier, it is not difficult to understand that it would be almost impossible to regulate such service effectively and judiciously. Between each kind of service there is a twilight zone, a dim borderland, where it is hard to tell what is merely a plant facility, what is a private carrier, and what is a common carrier. But it is at this borderland that some of the greatest evils occur, for here the common carrier would be subjected to the intense competition of the private carrier. The common carrier, under government regulation as to rates and service, would be at the mercy of the private carrier, which would offer to carry any shipper's goods at a lower rate or with extra good service, beyond what the common carrier could offer. In this way the common carrier, under the necessary burden of regulation, would not be in a position to receive the benefits of regulation, because the cream of his business would be taken from him by private carriers unhampered by regulation. On account of these conditions and because a large part of the motor truck business is special service which cannot be standarized for governmental regulation, it is evident that any attempt to control motor trucks by elaborate regulation would be foredoomed to failure. Many of the problems will have to be worked out by the operators themselves in the evolution of the business and under the guidance of accumulated experience. At the present time there is an entire lack of adequate information of a concrete character to serve as a basis for regulation, even if regulation were necessary—which seems to be contrary to the evidence shown above.

Another thing which seems to substantiate the statement just made that regulation of rates and services of motor trucks is undesirable, is the fact that, while the trucks are taking away from the railways some of their short-haul business, they are developing new lines of freight which are increasing the railways' traffic; that is, they are acting as feeders for the railways. This is exactly what has occurred with each new development in the history of transportation; every new facility introduced has brought increased amount of business in the aggregate. The local dislocations, while important for the time, are accompanied by greatly enlarged traffic as a whole. The two Canadian railway systems at, say, Toronto or Montreal, where trucks are abundant, know that, despite the amount of freight taken by the trucks, the freight movements for the corresponding months of the last three years as received at the railway stations have shown a constant increase. Those who are most familiar with the changes in Canadian railway freight service have no fear of the effects of the trucks upon their freight revenues, and in the United States men like President C. H. Markham, of the Illinois Central Railroad Co., who formerly were antagonistic to the motor trucks have now seen that the railway companies have gained more than they have lost on account of them. So long as the motor trucks are fulfilling a very useful function and no interest seems to be suffering on account of them, it would seem reasonable to allow them as much freedom as possible in order that they may bring the greatest results for the development of the country.

But a certain amount of regulation of all vehicles operating on the public highways is essential, whether the operator be a private or a public carrier. Such regulation as is necessary, some of which we have now, appears to pertain to the protection of the roads — through regulating the weights which can be carried on different kinds of wheels at different seasons, and the speed of travel of the trucks—and the protection of the public which ships by means of these vehicles. Hitherto, shippers by truck have not been protected adequately against damage to their goods, for many private carriers have insufficient capital to become responsible for such damages or loss. The recommendation of the Canadian Industrial Traffic League to the Ontario Department of Highways a short time ago, that private carriers which obtain a license to operate upon the public highways should be required to deposit with the department an adequately protective insurance policy to meet such claims, was favorably received by the department and is in line with the satisfactory development of the use of the motor trucks as carriers.

At a meeting in Ottawa in December last, under the auspices of the Canadian Good Roads Association, a Fact Finding Committee was named to study among other things the subject of the regulation of motor trucks. The discussions at that meeting seem to indicate that some of the views expressed were given without any thorough knowledge of the economic problems involved; and it is apparent that prolonged and detailed study extending over some years, by those who are fully conversant with the facts as brought out by experience, will be necessary if ill-advised measures are to be avoided. Until then the further development of regulation should proceed very slowly in order not to stifle what has such great promise and possibility for the good of the whole country. The establishment in Canada of regulatory measures which have been adopted in the United States, without taking into account the great differences which frequently prevail in the two countries, would probably be prematurely injurious.

## Protection Needed on Goods Shipped by Public Carrier

With regard to the protection of shippers in respect to goods shipped by motor transport, the special report of the Transportation Committee of the Canadian Manufacturers' Association says:

Motor vehicle transportation, so far as it pertains to the transportation of freight shipments, has been receiving considerable attention by your committee in the past year due to information being received that there appeared to be no assurance in regard to the liability in connection with the safe transportation of goods entrusted to operators on such vehicles. The question at the moment is a provincial matter, motor vehicles being operated over highways built by the provinces and under licenses secured from such authorities. In the United States the question has advanced a little further and the individual states have already taken certain action requiring operators of motor vehicles to secure certificates of convenience in some cases and file information as to routes, time tables, rates, tariffs, etc., with some competent tribunal within the State. The provincial governments in Canada have varying legislation on this question but outside of that which was introduced at the last session of the Quebec legislature these vehicles were not required to make any returns to the government or a competent tribunal named in the legislation.

The province of Quebec, at the last session, placed this matter in the hands of the Public Utilities Commission by legislation which requires the operator of motor vehicles to secure a charter and at the same time file with the commission information as to routes, time tables, rates and other information pertaining to services which would be operated by such companies. Services established are not permitted to be withdrawn without sanction of the commission.

The question has been discussed with the Highways Department of the Province of Ontario, particularly in connection with the question of liability which seems to be the chief difficulty being experienced by shippers using this form of transportation and representations were made by a sub-committee of your committee in regard to the question of liability, indicating that some provision should be made requiring operators to be fully protected so that claims for loss and damage would be properly taken care of when presented by shippers. It was also suggested that a uniform receipt should be adopted for use by motor vehicle operators. The Highways Department appreciated the necessity of something of this character but as the requirement would naturally involve the passing of legislation and as the Ontario House was not in a position to handle the question at the last session, it is still open. Efforts will be made to have this question taken care of at the next session.

## Bus Owners' Association Joins With Motor League

It was left to a non-bus operator to conceive the idea of a large organization embracing all the bus operators in the Province of Ontario. P. Geo. Michell sitting on his estate at Clarkson, Ont., watched the steady growth of bus transportation on the Lake Shore highway, visualized the need of a system of co-operation among bus operators if conditions that were bound to arrive in the near future were to be successfully met. The developments of the past two years have demonstrated that he was right. He approached the members of the Associated Lines of Hamilton and laid his proposals before them. At first they were not received with any great degree of enthusiasm, but later the members of the Associated Lines agreed to finance the new organization if Mr. Michell would undertake to do the organizing. Thus in the office of the Comet Bus Line at Hamilton, Ont., the Ontario Bus Owners Association was born.

Mr. Michell found the going pretty rough at first as the business at that period had not passed the stage of "Every Man for Himself." His perseverance and sincerity soon won the day and sufficient bus operators were secured to form the new organization.

The objects of the Association were to secure unity and co-operation among the bus operators of Ontario. To foster and protect the interest of the bus owner. To give to the public a safe and sufficient service. To co-operate with the Highways Department by carrying out all Traffic Regulations.

The executives for 1926 are:

President.— C. C. Kamm, Metropolitan Lines, Toronto, Ont.

Vice-President.—E. Forsythe, United Lines, Hamilton, Ont.

Secy.-Treas.—Geo. D. Campbell, Canadian Bus Adv. Co., Toronto, Ont.

Executive.—Jas. L. Grightmire, Hamilton-Dundas Line, Dundas, Ont.; Hy. Reaume, Border City Lines, Windsor, Ont.

Counsel.—J. Sedgewick.

During the present year the Association has accomplished considerable of vital interest to the bus operator, which is being dealt with and already benefits have been derived. The membership is steadily increasing, and it is predicted that by the end of the year 90 per cent. of the bus owners in the province will be identified with the Association. The Association has opened its doors to the Allied Trades, and already a number have become associate members. In view of the fact that the aims and interests of the Association were so closely allied with those of the general motoring public and motor truck transportation, it was deemed advisable to become more closely identified with them. With this end in view the Ontario Motor League were approached, with the result that the Association is now affiliated with that body, and they have established a Motor Bus Division along the same lines as this Motor Truck Division.

### BUS COMPANIES MERGE

Seven of Vancouver's leading transportation concerns have been merged under one company, with a capitalization of $1,000,000, to be known as the British Columbia Transportation Co., Ltd.

Through the executive operations of Frank Barnes, of the Terminal City Motors, Ltd., this concern, with the Yellow Cab Co., Ltd.; Pacific Stages, Ltd.; Black and White Cab Co., Ltd.; Vancouver Green Cab Co., Ltd.; Vancouver Transfer Co., Ltd., and the City Taxi Cab and Auto Sight Seeing Co., will be merged and controlled by the newly-capitalized concern.

The New Vacation Land

*Newfoundland Offers an Unrivalled Climate, and Splendid Natural Attractions*

WITH an unrivalled climate, where intense heat is unknown, with its life-giving, ozone-laden breezes, with its facilities for summer sports and recreations in the midst of delightful natural surroundings, Newfoundland has something to offer to the tourist that can hardly be equalled elsewhere.

Here is the great out doors, all unspoiled. Forests and rivers and sea. Here, too, Summer places that offer every modern comfort and convenience and entertainment, or other places, on the fringes of the wilds; within a step of primeval forests. The vacationist can suit his own inclination, but he is sure of a pleasant, healthful and invigorating holiday, amid surroundings that it will be a pleasure to remember.

Consider this opportunity to get away from the beaten path; to see new scenes, of marvelous natural beauty, to enjoy a summer of actual relaxation; to fish or hunt with the knowledge that fish and game are plentiful; to canoe on great rivers, or forest-bound lakes. It is nature's new and unspoiled wonderland.

When you are planning your holiday, do not fail to consider Newfoundland—the journey, the hotel accommodation, the scenery, the history, the sport will delight you.

A Sportsman's Paradise

The fisherman or hunter can visit Newfoundland with the assurance that he is protected against disappointment. Its virtually virgin streams teem with fish. Brook trout in the smaller streams, and sea trout and salmon in the larger streams that empty in the ocean. Newfoundland's salmon fishing is the most notable in the world.

Game, too, is plentiful. In the centre of the island it is everywhere. This is a sportsman's paradise that the sportsman should not fail to consider.

One of the picturesque reaches of the Humber River, Newfoundland. The many great rivers of the country present many such glimpses.

How to Reach Newfoundland

Newfoundland is readily reached by a pleasant and invigorating sea voyage. There are direct steamers sailing from New York and Boston.

There is also a direct steamer from Montreal and Halifax, or the Island may be reached by an eight hour trip across Cabot Straits from North Sydney to Port aux Basques, and thence across the island by the Newfoundland Government railway.

Intending visitors should write to the Newfoundland Tourist and Publicity Bureau, Mr. Gerald G. Byrne, secretary, P. O. Box E. 5348, St. John's, who will furnish detailed information.

NEWFOUNDLAND

Government Offices St. John's, Newfoundland

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FOURS + SIXES

The widespread popularity of the New Star is reflected in the applications received from all parts of the Country for dealership.

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The NEW Star CAR

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